



0000059704

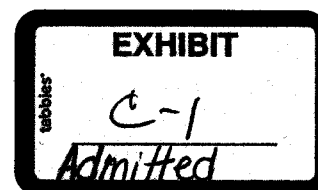
7/30/2003

Transcript Exhibit(s)

Docket #(s): F01051B-02-0535

Exhibit #: C1-C7, R1-R19

Exhibit A



Prescott Valley, AZ

PV

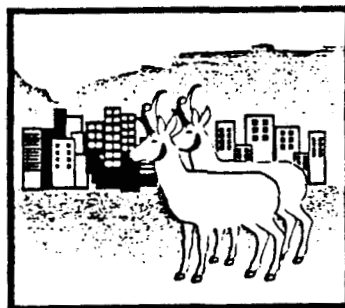
Prescott Valley is one of Arizona's fastest growing communities. Since 1990, Prescott Valley has increased from a population of 8,858 to its present population of over 14,000. Small developments just outside the town boost the area population to over 37,000 people within a seven mile radius. Despite this tremendous growth, Prescott Valley has retained its small town friendliness and rural charm. Pronghorn antelope still roam through the town limits.

Located 85 miles northwest of Phoenix, this progressive community is nestled between the Bradshaw and Mingus Mountains at 5,100 feet. Due to its high elevation, Prescott Valley enjoys four seasons which include 300 days of sunshine, mild winters and cool summers.

Prescott, the county seat, is located within 10 miles of Prescott Valley. Commercial businesses are opening at a rapid pace with heavy concentration along

Hwy 69. A planned new downtown area, regional shopping center, and cross-town highway will offer a variety of new opportunities in the upcoming years.

Founded in 1966, and incorporated in 1978, Prescott Valley has just completed its third general plan with projections of be-



coming a major city in the near future. A recentl completed state-of-the-art waste water treatment plant, sewer sys-

tem, road projects, natural gas lines, and telephone fiber optics will service the community well into the 21st century. The town is served by many dentists and doctors, including a full service hospital within 10 minutes of Prescott Valley.

Major employers within the Prescott Valley town limits include:

Caradon Better-Bilt Inc., over 650 employees;

ACE Home Distribution

Center, 663,000 sq. ft. facility;

PrintPak, a modern fast-food packaging company.

Retailers within the town limits include Safeway and the largest K-Mart in the state. A variety of restaurants, motels, major supermarkets, department stores, five banks, and one credit union stand ready to meet the growing needs of this community.

Prescott Valley's recreation facilities include:

- ten public parks
- Olympic style soccer field,
- softball fields
- a new public swimming pool with a 100' slide and
- a 3,000 seat outdoor amphitheatre in Mountain Valley Park.

Castle Golf Family Fun Park offers state-of-the-art games, miniature golf, batting cages, a lighted driving range, a mini go-cart raceway and a planned bowling alley. Hiking, fishing, backpacking, horse-back riding, boating, gold panning, camping, outdoor trails & three golf courses are available within minutes of the community.

Prescott Valley Information

The Town of Prescott Valley is ideally situated within 30 minutes of National Forest, lakes, wildlife, hiking trails and camping. Historical sites, museums, galleries, entertainment, parks, fine restaurants, three colleges, hospital and community airport are only 10 minutes away. There are four public elementary schools, one public junior high school and one public high school.

Prescott Valley offers a broad range of community facilities. In addition to the previously-mentioned facilities, there is a library, a community center, basketball and tennis courts, and baseball fields. A bowling alley and an amusement park are also available.

The town is governed by a mayor, six council members, and a town manager. There is a local police department and a fire department with both full-time and volunteer personnel.

There are 300 acres of industrial parks with all utilities available and highway access.

<u>GROWTH INDICATORS</u>	<u>1990</u>	<u>1991</u>	<u>1993</u>
Taxable Sales (\$)	56,025,509	62,412,750	89,954,850
New Building Permits Issued	526	1,007	1,475
Net Assessed Value (\$)	29,190,831	32,384,022	46,684,626
Civilian Labor Force	1,461	N/A	3,715

<u>WEATHER</u>	<u>Avg Temp (F)</u>		<u>Avg Total</u>
	<u>Daily</u>	<u>Daily</u>	<u>Precipitation</u>
	<u>Max.</u>	<u>Min.</u>	<u>(Inches)</u>
January	50.5	23.5	0.97
February	54.5	25.9	0.75
March	59.1	29.5	0.81
April	67.9	36.8	0.57
May	76.3	44.2	0.32
June	85.9	53.1	0.44
July	89.5	61.4	2.76
August	86.8	59.1	2.65
September	83.5	52.8	1.05
October	73.9	41.6	0.68
November	61.2	30.9	0.69
December	52.6	24.6	1.11
Year	70.1	40.3	12.80

Average Total Snow, Sleet and Hail Annually: 16.0 inches (Based on a thirty year average)

Poquito Valley (Lonesome Valley)

DESCRIPTION OF PROPERTY

The subject property consists of a total of 960 acres located in Yavapai County, North of the most recent annexation into the Town of Prescott Valley. Poquito Valley residents will be able to revel in the glorious sunrises peaking over the Mingus Mountains and relish the equally impressive sunsets as the sun drops down behind Granite Mountain. The panoramic view stretches as far North as Bill Williams Mountain and Rimrock.

Poquito Valley was originally a 1700+ acre tract of land stretching from Highway 89A in Section 35, Township 15 North, Range 1 West of the Gila & Salt River Base & Meridian in Arizona, seven miles North through the West half of Sections 26, 23, 14, 11, 2 of 15 North 1 West and Section 35 of 16 North 1 West.

At present, predominantly comprised of 40-acre parcels, except parcels 4A - 6, this tract is covered by good protective covenants plus zoning that limits the size of parcels to a minimum of 2 acres (87,120 square feet). Lots 4A through 20 have been annexed into Prescott Valley. Subdivision of Lots 4A and 5 through 8 is currently in process, and is the first phase of "Viewpoint". This new subdivision will consist of approximately 1/5 to 1/3 acre homesites, listed at about \$25,000 - \$36,000. Highway 89A frontage lots, i.e. 4B-D, should eventually be zoned as commercial.

It is anticipated that the subdivision process will continue North eventually encompassing parcels through Lot 20, with the parcel sizes possibly increasing in size in the later phases.

Poquito Valley Information

BUILDING SITES

The subject property has limited flood plain, so excellent building sites abound. Please note, a parcel may be split five times without exceeding limitations and being classified as a subdivision, provided the minimum 2 acre zoning is not violated.

ACCESS

The dirt road providing access is a private road. A lender may require a road maintenance agreement be signed by those serviced by the road. According to the Poquito Valley developers, their responsibility for road maintenance expired 3 years after initial development, i.e. approximately 4-5 years ago. Efforts are being made to initiate a road maintenance agreement between the owners of lots 21-44.

ELECTRICITY

The closest electricity is on the South half of Lot 22. Arizona Public Service have confirmed that Poquito Valley is within their service area. The first 1,000 feet of installation is free to an individual consumer. This complimentary service installation is accumulative, i.e. If four consumers require service installed concurrently, then collectively they warrant 4,000 feet free of charge. (Check with APS regarding closest access point and availability of utility easements.) Underground utilities are required by the protective covenants, ensuring a more enduring desirable location for those wishing to live in the area.

TELEPHONE

U.S. West Communications has confirmed that Poquito Valley is within their exchange boundary for telephone service. Installation to the first consumer is charged at full rate, then a \$3,000 rebate toward costs is applied. This rebate program is believed to be accumulative to consumers requiring concurrent service installation.

WATER

Test wells in the area have been successful at 400'-450', and an abundant supply of water has been accessed by the production well for Viewpoint subdivision. It is possible to collaborate with neighbors (max. 4 per well) to drill a shared well and, thereby, split the cost of the well digging and maintenance.

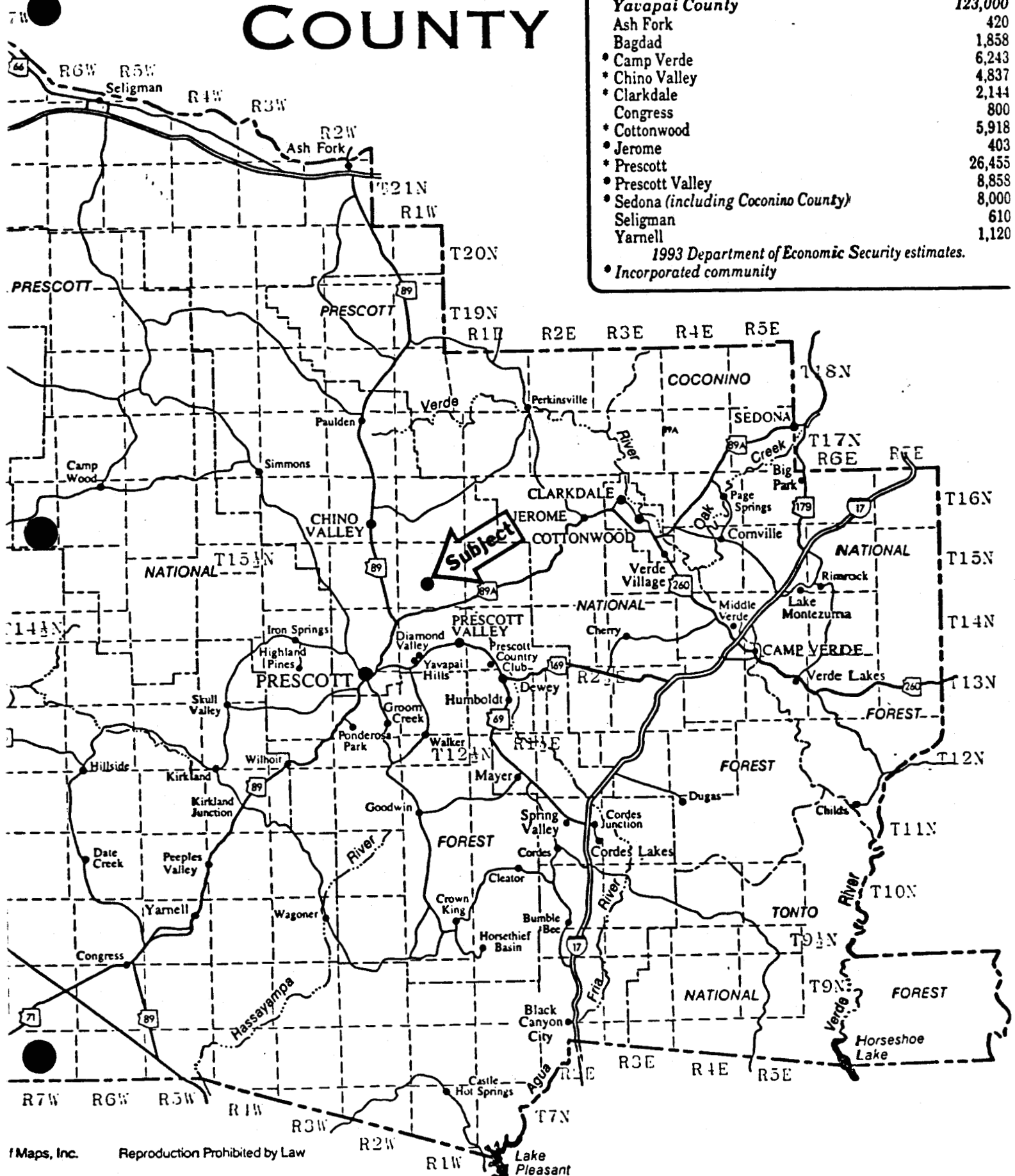
YAVAPAI COUNTY

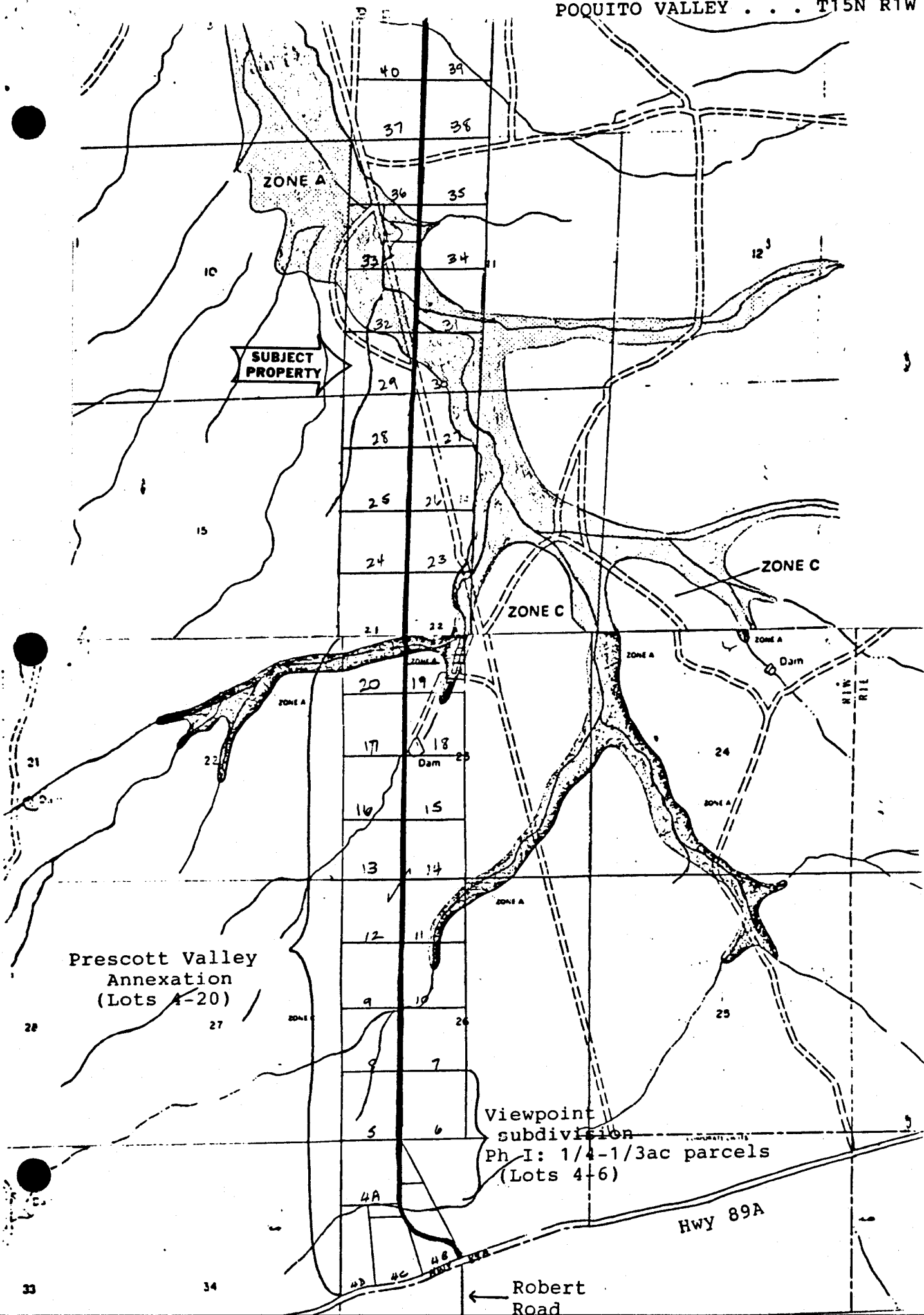
YAVAPAI COUNTY COMMUNITY POPULATIONS

Yavapai County	123,000
Ash Fork	420
Bagdad	1,858
* Camp Verde	6,243
* Chino Valley	4,837
* Clarkdale	2,144
Congress	800
* Cottonwood	5,918
* Jerome	403
* Prescott	26,455
* Prescott Valley	8,858
* Sedona (including Coconino County)	8,000
Seligman	610
Yarnell	1,120

1993 Department of Economic Security estimates.

* Incorporated community





SUBJECT
PROPERTY

ZONE A

ZONE C

ZONE C

ZONE A

Dam

ZONE A

ZONE A

ZONE A

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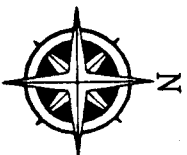
Prescott Valley
Annexation
(Lots 4-20)

Viewpoint
subdivision
Ph I: 1/4-1/3ac parcels
(Lots 4-6)

Hwy 89A

Robert
Road

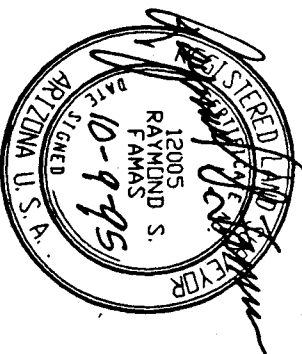
SURVEY AND SPLIT THE N1/2 OF THE S1/2 OF LOT 25
POQUITO VALLEY SUBDIVISION
SEC. 14, T15N, R1W, G. & S.R.B. & M., YAVAPAI COUNTY, ARIZONA



LEGEND

- = FOUND 5/8" REBAR OR AS NOTED
○ = SET 1/2" REBAR WITH PLASTIC CAP
STAMPED - FAMAS -
* = AFFIXED BRASS TAG - FAMAS -
() = RECORD INFORMATION PER SUBDIVISION PLAT
BOOK 8 OF MAPS, PAGE 5, Y.C.R.O.

**NOTE THAT ALL EASEMENTS OF RECORD
MAY NOT BE SHOWN ON THIS PLAT**



FAMAS LAND SURVEYORS, INC.

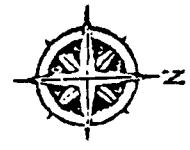
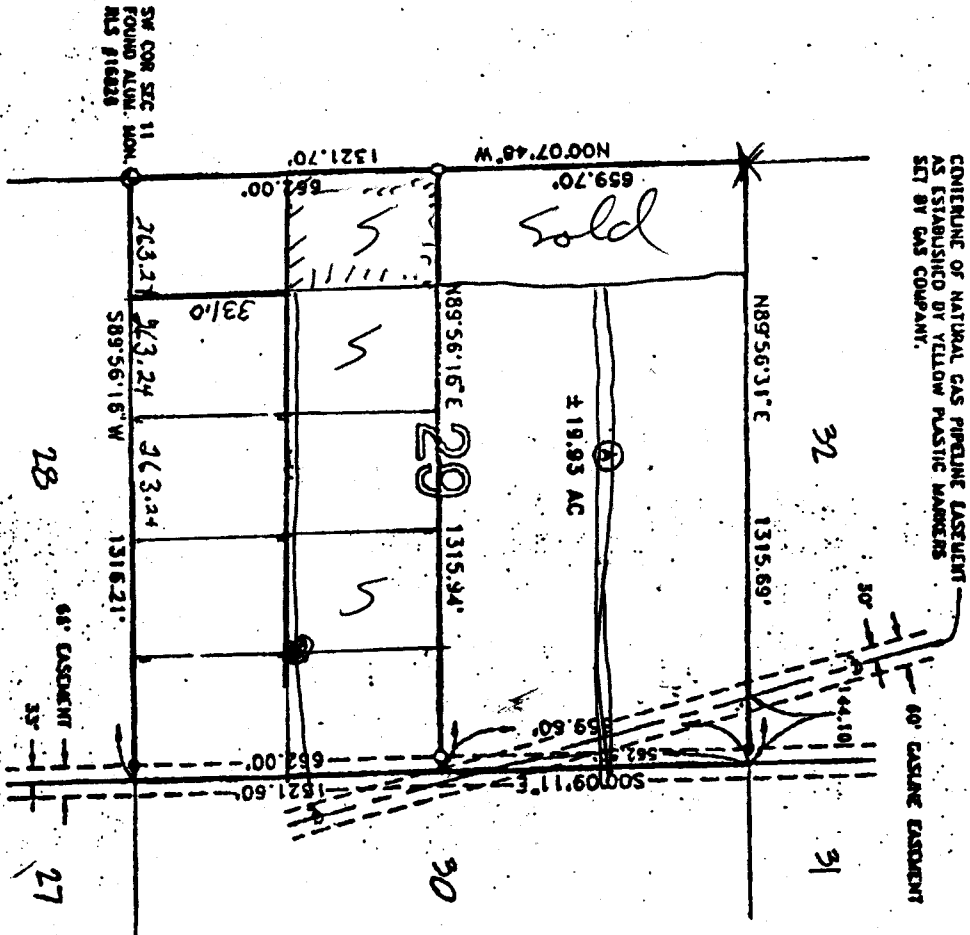
2

P.O. BOX 4167 PRESCOTT, AZ 86302
PHONE (602)-717-2644 FAX (602)-717-2640

DATE OF SURVEY: SEPTEMBER 15, 1995	
DATE DRAWN: 9-15-95	FILE NO.: 879195

RECORD OF SURVEY **SURVEY AND SPLIT LOT 29 POQUITO VALLEY** **SEC. 11, T15N, R1W, G. & S.R.B. & M.,** **YAVAPAI COUNTY, ARIZONA**

CONTINUE OF NATURAL GAS PIPELINE CASSEMENT
AS ESTABLISHED BY YELLOW PLASTIC MARKERS
SET BY GAS COMPANY.

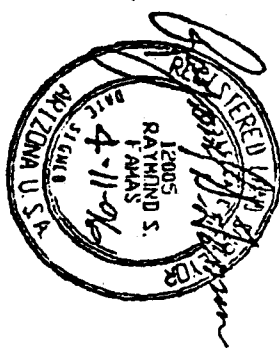


APPROXIMATE SCALE
1 IN = 100 FT

LEGEND

- FOUND 3/8\" BEARER HIS 116226 OR AS NOTED
- SET 1/2\" BEARER WITH PLASTIC CAP
- STAMPED \"FAMAS\"
- ATTORNEY BRASS INC. \"FAMAS\"
- () RECORD INFORMATION FOR SUBSEQUENT PLAT
- BOOK 8 OF LAND SURVEYS, PAGE 6, T.C.S.C.

NOTE THAT ALL CASEMENTS OF RECORD
MAY NOT BE SHOWN ON THIS PLAT.



FAMAS LAND SURVEYORS, INC.
F.A. and R.S. Fammas, Inc.
116226
116226
116226

DATE OF SURVEY: APRIL 2, 1995
DATE DRAWN: 4-3-96
DATE FOR CAUTION: 4-11-06

SURVEY FOR CAUTION
REMOVED 3/17/96 BY 411-06
NOT TO BE USED

Exhibit B



January 10, 2000
CENTER FOR CUSTOMER EXPERIENCE
TELEPHONE NUMBER: 1-888-849-9369

USWEST
COMMUNICATIONS 

ERNIE THOMPSON
P O BOX 27016
PRESCOTT, AZ 86314

Order: N12472424

Anticipated TN: 520 772-3059

We regret that U S WEST Communications, Inc. (U S WEST)*, is temporarily unable to supply you with telephone service. There are currently no facilities available to service your location. However, U S WEST has a program for qualified ** customers, which offers options while primary service is delayed.

• **The Basic Service Installation Charge Bill Credit**

A bill credit of \$46.50 for residence and \$56.00 for business customers will be applied to the account after primary service is connected.

• **Remote Call Forwarding, also known as Market Expansion Line**

Transfers incoming calls to the number of your choice. It immediately establishes the telephone number, provides a directory listing and the ability to place calls using a U S WEST Calling Card.

If your service is delayed for more than 30 days, you will receive one of the following options. (Your eligibility for these programs begins on the 31st day. (It is NOT retroactive):

BASIC SERVICE BILL CREDIT

If you do not choose the Wireless Subsidy Program, you will receive a credit for the monthly basic service rate (\$13.18 for residence and \$32.78 for business) for each month or partial month that your primary service is delayed beyond 30 days. This credit will be applied to your account after your primary service is connected.

• **WIRELESS SUBSIDY PAYMENT PROGRAM**

U S WEST will provide Wireless subsidy payment of \$150.00 if your primary service is held for over 30 days (it is not retroactive). On the 61st day, if your order is still delayed, you will receive an additional \$150.00 subsidy payment and every 30 days thereafter until your service is installed. To qualify for these payments you must subscribe to a wireless service. Please see more information under "Qualified customer definition" on the following page.

NOTE: Those subscribers previously furnished with special equipment, which provided wireless telephone service (also referred to as Interim Service Solution/Qualcom) may continue to use that special equipment in lieu of converting or switching to the wireless voucher program.

** **Qualified customer - Definition**

- Must be delayed more than 30 days after application date.
- **Your eligibility begins on the 31st day and is not retroactive.**
- Residential Wireless Subsidy does not apply if there is other residential service at that address.
- Only the 1st residence line at a residence location or the 1st business lines at a business location that is held for company reasons are eligible.
- Must be living at or conducting business at the service address.
- Must have permanent power at the service address.
- Order must be held for U S WEST reasons
- Order is not qualified for subsidy if delayed for construction charges and or agreements not met from either the customer or their developer.

Following are the guidelines for qualified customers electing to participate in the U S WEST Wireless Subsidy Payment Program:

- A. Contact the wireless provider of choice and negotiate the type of service desired, including wireless telephone equipment, billing plan, long distance service, etc. It may be beneficial to advise the wireless company that you are requesting service in connection with the U S WEST Wireless Subsidy Payment Program.
- B. Once wireless service has been obtained, a subsidy payment of \$150.00 will be provided for every 30-day increment after the qualification date. Any additional costs are your responsibility. The Wireless Subsidy Payment Program is intended to offset the cost of limited communication for essential needs.
- C. Please note that IRS regulations require US WEST to send you a form 1099 if you are a non- incorporated business customer AND the payments amount to MORE THAN \$600.00 in a calendar year.
- D. The wireless service *MUST* be billed in the same name as the U S WEST service.
- E. You are not required to purchase wireless service from any particular wireless provider in order to receive the U S WEST wireless subsidy payment. You are, however, responsible for dealing directly with the wireless service provider and will be subject to the terms and conditions of the wireless provider.
- F. Once you have signed up with a wireless provider, complete the attached Wireless Subsidy Payment Program Signature Form and follow the instructions on how to send in the information. Payments will start once we have received the completed form and verify qualifications. The payments will continue, as long as you remain qualified, or until service is provided.
- G. If your wireless provider has any questions, the provider may call us at 1 888-849-9369 (toll free).
- H. U S WEST will notify you when your primary service becomes available. You are responsible for terminating your wireless service. Once your primary service is connected you will no longer receive a wireless subsidy payment. If you choose to maintain wireless service, you will be responsible for ALL costs for the wireless service
- I. Customers must maintain their land line service for at least the number of months that the subsidy payments were provided. Customers who disconnect the land line service for which the subsidy payments were made, may be required to repay the total amount of wireless payments received.

*** WHAT U S WEST COMMUNICATIONS WILL NOT REIMBURSE YOU FOR:**

- A. Any wireless payments prior to your 31st day.
- B. Any previous wireless payments you may have made.
- C. Any charges billed to you by a long distance carrier.
- D. Any charges you incur exceeding the monthly reimbursement.
- E. Any wireless service you may choose to keep after your primary service line telephone service is ready.
- F. Penalties for early termination of a wireless lease agreement.
- G. If you have a wireless lease agreement in place at the time your primary service becomes available, U S WEST Communications will NOT reimburse you for charges you incur during the remainder of the lease.
- H. Non-Refundable deposits requested by wireless companies.
- I. The cost of a wireless telephone or other equipment.

REMINDER

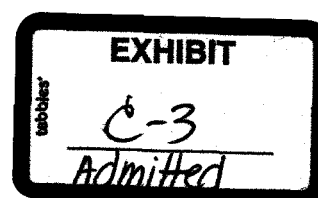
If you choose the Wireless Subsidy Payment Program, the enclosed form must be completed and faxed or mailed to U S WEST before payments begin. To insure prompt payments and maximum benefits, please respond within 30 days of receiving this letter.

All credits will be applied to your account after primary service is connected. If you would like to arrange for Remote Call Forwarding and/or Voice Messaging Service, or have any other questions, please call us at 1-888-849-9369. (Toll free).

Cordially,

CENTER FOR CUSTOMER EXPERIENCE
TELEPHONE NUMBER: 1-888-849-9369

Exhibit C





January 26, 2000

Ernie Thompson
P.O Box 27016
Prescott Valley, AZ 86314

Dear Ernie Thompson:

On December 2, 1999 US WEST Communications received an application for telephone service from you. It has been determined that you are located in open territory which means you are outside US WESTS franchised service area. US WEST chooses not to provide facilities outside of its serving area and as a result your order for telephone service will be cancelled as of January 26, 2000.

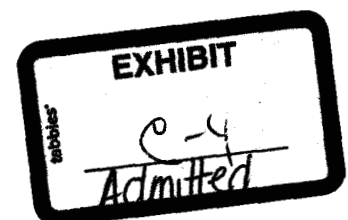
If you have any questions, please call 602-665-2497.

Sincerely,

A handwritten signature in cursive script, reading "Valerie Finn".

Service Order Consultant
Center for Delayed Orders

Exhibit D



ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Connie Walczak **PHONE** (602) 602-542-0291 **FAX:** (602) 602-542-2129

Priority: RESPOND WITHIN FIVE DAYS

COMPLAINT NO. 2000 - 171647

Date: 1/31/2000

COMPLAINT DESCRIPTION: 3A New Service Installation Delays

First:

Last:

Complaint By: Ernie

Thompson

Account Name:

Home (520) 772-3059

Street: 7120 W. Esteem Way

Work:

City: Prescott Valley

CBR: 520-925-3686 cell

State: AZ **ZIP:** 86312-

is: Cellular

Utility Company: U S WEST Communications, Inc.

Division:

Contact Name: Julie Layne

Contact Phone:

Nature of Complaint:

Customer applied for svc 12-2-99, he was told it would be about 7 days. N12472424, about a week ago he received a letter advising a cell package would be available, he purchased a cell phone & mailed the form in. On 1-28 he rvc'd another letter cancelling the order & making the cell pkg void. He has already bought the cell phone. The letter advised he was outside of USW service territory. USW is already serving 3 people near him, all outside of the svc territory, Frank Lehman 520-772-3521, Troy 520-772-3521 & Troys bro-in-law 520-775-6236. Please check status?

Utilities' Response:

Per Julie eml;02/03/00 I HAVE VERIFIED THIS CUSTOMER IS IN OPEN TERRITORY AND THERE ARE NO PLANS TO EXTEND SERVICE. US WEST WILL NOT BE PROVIDING SERVICE TO THIS CUSTOMER. CLOSED THANKS JULIE

2-22 per Julie eml;02/22/00 I HAVE REVIEWED THIS COMPLAINT AND THE INFORMATION HAS NOT CHANGED. WE HAVE NO PLANS TO EXTEND SERVICE TO THIS OPEN TERRITORY ADDRESS. WE WOULD NOT PROVIDE HER DETAILS ON SOMEONE ELSE'S SERVICE. CLOSED THANKS JULIE

Investigator's Comments and Disposition:

2-18 cust cld, lwtc with John Bostwick, wants a cb. Sent Julie an email 2:10 to call this cust & answer her questions.

2-18 eml to Julie;Julie,

Would you please call this Sherry Thompson regarding Ernie Thompson & his complaint from 1-31. She wants additional info that I cant give her. She can be reached at 520-925-3686. Thanks Connie

2-22 eml to Julie;Julie, please provide any information on the other accounts listed in this complaint for me.

USW has, in the past, provided svc outside the territory. So that I will be able to give this person good info, I just want to verify that these numbers are inside the area. Thanks, Connie

02/23/00 THE CUSTOMERS ARE OUTSIDE OF THE SERVING TERRITORY. THIS COMPLAINT IS BEING HANDLED BY PUBLIC POLICY. CLOSED THANKS JULIE

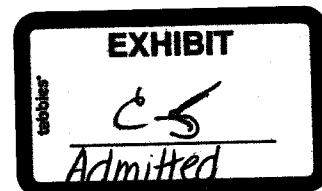
Company Contacted On: 1/31/2000

Date Completed: 2/22/2000

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

COMPLAINT No. 2 -171647

Exhibit E



LAW OFFICES
FENNEMORE CRAIG
A PROFESSIONAL CORPORATION

THERESA DWYER

Direct Phone: (602) 916-5396
Direct Fax: (602) 916-5596
tdwyer@fcflaw.com

OFFICES IN:
PHOENIX, TUCSON AND NOGALES

3003 NORTH CENTRAL AVENUE
SUITE 2600
PHOENIX, ARIZONA 85012-2913
PHONE: (602) 916-5000
FAX: (602) 916-5999

April 12, 2001

**CERTIFIED MAIL/
RETURN RECEIPT REQUESTED**

Mr. Ernie Thompson
P.O. Box 27016
Prescott Valley, AZ 86312

Re: Telephone Service at 9990 North Poquito Valley Road

Dear Mr. Thompson:

I am writing to you regarding Qwest Corporation ("Qwest") telephone service to 9990 North Poquito Valley Road in Prescott Valley, Arizona. It has come to our attention that tampering with Qwest property occurred at the aforementioned address resulting in a redirection of telephone service outside of Qwest's mandated service territory in violation of the law. This letter serves as notice of these violations and termination of telephone service pursuant to Arizona Administrative Code ("A.A.C.") R14-2-509(B).

On November 3, 1999, installation of a telephone line, 520-775-6203, was ordered at the aforementioned address. Installation of a second line, 520-772-2827, at the same address occurred on December 23, 1999. On January 24, 2000 a request was made to change the 772-2827 number to 759-9497. A third line, 520-772-9513, was installed the Poquito address under the name of Ernie Thompson on March 17, 2001. On March 23, 2001 a change of responsibility was issued on the second line from Ted Moxley to Troy Denton. That same day Troy Denton ordered a fourth telephone line to be installed at the Poquito address.

During installation of the fourth telephone on March 27, 2001, Qwest field engineers discovered that one telephone line had been re-routed to an address outside of Qwest's service territory. Re-routing of this telephone line was not authorized by Qwest. A second site inspection on April 3, 2001 revealed that in fact two of the three lines operating from the 9990 North Poquito Valley Road had been re-routed from Qwest's network pedestals to two addresses outside of the area designated by law for Qwest telephone service. Again, this re-routing was not authorized by Qwest.

FENNEMORE CRAIG

Mr. Ernie Thompson

April 12, 2001

Page 2

The tampering is a violation of law under Arizona Revised Statutes Section 40-492 and may be enjoined by Qwest. Additionally, such tampering grants Qwest the authority to terminate telephone service without notice under A.A.C. R14-2-509(B). Please be advised that if these activities persist, Qwest will seek an injunction to cease any further illegal activity and has the option of pursuing monetary damages including but not limited to attorney fees, costs and other expenses as mandated by Arizona Revised Statutes Sections 40-492 and 40-493.

If you have any questions regarding the above, please contact me directly or John Duffy from Qwest at 602-630-1183.

Sincerely,

FENNEMORE CRAIG


Theresa Dwyer

1174147/67817.000

1 - In territory
2 Acre lots

Boundary Line
- for Sec. 14

Open territory
- 2 Acre lots

Homes with
- Service But
not in territory

Complaintant
- Homes without
Service

Property Line
- Between Skipper
+ Chavez



☒ - In territory of these lots
☐ - Boundary line for Sec. 14
☐ - Open territory of these lots
☐ - Homes with no service
☐ - Homes with service
☐ - Property line
☐ - Boundary line
☐ - Boundary line
☐ - Boundary line

EXHIBIT
 C-6
 Admitted

STARDUST LANE

103-01-172L EMPTY LOT	103-01-172N EMPTY LOT	103-01-172S Thompson's 7120 E. Esteem Way NO SERVICE	103-01-172Q EMPTY LOT	103-01-172T White's 10170 N. Poquito Valley NO SERVICE
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ESTEEM WAY

103-01-172E EMPTY LOT	103-01-172G Hernandez's 7095 E. Esteem Way SERVICE	103-01-172H EMPTY LOT	103-01-172J Denton's 7225 E. Esteem Way NO SERVICE	103-01-172K Lehman's 10150 N. Poquito Valley SERVICE
103-01-176L IN TERRITORY EMPTY LOT	103-01-176N Hernandez's 7070 E. Moonlit Drive POST ON LOT	103-01-176Q IN TERRITORY EMPTY LOT	103-01-176S IN TERRITORY EMPTY LOT	103-01-176T Moxley's 9090 N. Poquito Valley IN TERRITORY

MOONLIT DRIVE

POQUITO VALLEY

POQUITO VALLEY

103-01-195G Dunn's/Chavez's 10195 N. Poquito Valley SERVICE	103-01-195H Skipper's 10055 N. Poquito Valley SERVICE	103-01-167H IN TERRITORY HOUSE
--	--	--------------------------------------

SECTION 11

TERRITORY
 ← BOUNDARY LINE
 SECTION 14

EXHIBIT
C-7
Admitted



FORMAL COMPLAINT

RECEIVED
2002 JUL -9 A 1:25
AZ CORP COMMISSION
DOCUMENT CONTROL

ARIZONA CORPORATION COMMISSION
FORMAL COMPLAINT FORM

GROUNDS FOR COMPLAINT : (CONTINUED) Revised Cont:

Cannot be accomplished then I would like the phone Company
to Re-install the lines for myself and the Denton Family that
they ripped out last year, after we were given service.
Thank You for your cooperation in considering this matter.

From All dealings with Qwest we got the opinion that if they
gave any phone lines they had to open up A whole section.
To All involved this would be the best result in this matter.

In 1997 my husband and I purchased a 2-acre parcel in Poquito Valley (103-01-172S). When we purchased the property we were given paper work and verbal conformation that all utilities were accessible. We specifically asked about phone service because my husband worked for Qwest and would be retiring in a few years. With retirement he would get a concession on phone service in the Qwest area. So after talking to the Phone Company and the Real Estate Agent we were under the assumption that service was available.

ORDER OF EVENTS:

1. 3/99 Phone service was given to the Dunn Family on Lot 103-01-195G (Highlighted on Map)
2. 5/99 Service was rejected for the Lehman Family on Lot 103-01-172K. (Highlighted on Map) with the excuse of being out of territory.
3. 5/99 The Lehman family contacted John Smith the then supervisor of installation and repair in Prescott and was given the OK to run line to the service area and the phone company would hook up service for him.
4. 8/99 Phone service was given to the Skipper family on Lot 103-01-195H. (Highlighted on Map) Also with the permission of John Smith with the understanding that he would have to run his own line to the service area.
5. 9/99 My husband and I requested service on Lot 103-01-172S.
6. 10/99 we received a letter from the Phone Company stating there were no lines available in the area so our order would be on hold.
7. 10/99 we received a second letter a week later telling us to purchase a cell phone and the Phone Company would reimburse us up to \$100 dollars a month for the service until our service was installed.
8. 12/99 we received a third letter stating that we were out of Qwest territory and they were not interested in extending the territory and would not pay for the cell phone service.
9. 1/00 my husband got a transfer from the Phoenix area to the Prescott area with Qwest and worked under John Smith.
10. 2/00 my husband asked John Smith (Supervisor) and John Dugan (Engineer) if we could run our own line to the service area as the others were permitted or if they would open up section 11 for phone service.
11. 3/00 John Dugan called and told us that the company wasn't interested in opening up the area and he would not give us permission to run our own line.
12. 3/00 we contacted the Arizona Corporation Commission and filed a complaint.
13. 4/00 we were told by the ACC that Qwest said we were out of territory and they had made a mistake in allowing the others to be hooked up but they had to draw the line somewhere.
14. 4/00 We didn't press the issue any further because John Smith was telling my husbands Co-workers that because my husband had called the ACC and filed an executive complaint with the company that he was going to find a way to fire him. Before he retires.
15. 1/01 my husband retired from the Phone Company.
16. 3/01 it was suggested that we ask to have service hooked up at our neighbor's house (Ted Moxley 103-01-176T) that is in territory and get permission to bring it to our home. Ted Moxley, The Denton Family Lot 103-01-172J and ourselves called in and talked to Jason and was told that this would be permissible because service would be billed for an address that was in territory. We then put in a service order for 2 lines one for the Denton Family and one for ourselves. Service was hooked up and we each received our own billing statements and finally got phone service.
17. 4/01 The Denton Family called in and ordered an additional phone line.
18. 4/01 Qwest sent someone out to install a second line and none were available. So they sent out Ted Drake (New Engineer) to find more lines for the area.
19. 4/01 Ted Drake (New Engineer) and Dan McFarland (New Supervisor of Prescott Area) came out and saw the lines we had run from Ted Moxleys house (with permission) and tore them out without notice. Then sent us a letter from a lawyer stating that it was illegal to take service out of area and if we did it again we would be prosecuted.
20. 7/01 service was rejected for the Hernandez Family Lot 103-01-172G (Highlighted

- on Map)
21. 12/01 the Hernandez Family spoke to Ted Drake and was told the only way they could get service in their home was to buy Lot 103-01-176N which is in territory. And he would let them run it to there home on Lot 103-01-172G which is out of territory. (Does this sound familiar)
 22. 1/02 The Hernandez Family bought Lot 103-01-172N and ordered phone service.
 23. 1/02 after permitting the Hernandez Family to get service Ted Drake Mysteriously got fired from the company.
 24. 02/02 after several failed attempts to get the phone lines installed because of no structure on the property John Dugan and Dan McFarland came out and talked to the Hernandez Family. Instructed them to install a 4x4 post on the in territory property line and run lines to the service area and instructed on how to run the lines to there home from the post. The Phone Company then installed an interface on the post on February 14 2002.
 25. 02/02 I then tried to contact John Dugan and Dan McFarland to discuss why they gave permission to the Hernandez Family to do the same thing I was disconnected and threaten with prosecution for. Dan McFarland said he knew nothing about it and to contact John Dugan (I saw Dan McFarland over at the Hernanadez House with John Dugan and I also talked to him when he was tearing out my lines in March of 2001). I finally contacted John Dugan and was told that the service for the Hernandez Family was hooked up to a building that was in territory. And they don't know anything about them running the line to there home out of territory so there was nothing he could do to help me.
 26. 02/02 I contacted Qwests executive office in Denver and told them what was going on they told me they would look into it and let me know what was going on. They called back and informed me I was out of territory and they were not interested in extending the line. They also informed me to call a company in Idaho called Midvale Communications, stating they were interested in opening up areas in the Prescott Valley Area. Myself and my neighbors contacted them and were told they were not interested in the area.
 27. 02/02 I contacted the ACC and after filing a complaint was told the Phone Company said I was out of territory and they were not interested in extending. I asked for arbitration and was told that Qwest refused. And I could file a formal complaint. But that I would have to come up with burden of proof , Rules, Statutes, Tariffs Etc. I was not sure how to go about this without a lawyer so I held off.
 28. 03/02 Lot 103-01-195G (The first lot that was hooked up out of territory) was for sale and sold. The new owners just called in and got their service hooked up with no questions or problems about being out of territory.
 29. 05/02 the ACC was holding a meeting in Prescott to hear public opinion on Qwest getting the long distance service. I informed some of my neighbors that are without service and asked them to attend because I had to work and could not be there.
 30. 05/02 Tammy Fatheree and others attended the meeting and informed the ACC and Qwest representatives about our situation.
 31. 05/02 we were asked to call Connie Walczak at ACC and give her the information above.
 32. 05/02 Qwest came back with the same answers as they had on previous occasions. We are out of territory and they were not interested (Makes you want to scream) and that they hooked up service to a building on lot 103-01-172N in territory. The pictures I enclosed with my complaint will show you were they hooked up the interface and if necessary I can give you the name of the employee who hooked it up (I would rather not because I wouldn't want him to get into any trouble over this). We all know that we are out of territory. What we want to know is why everyone out of territory doesn't have to play by the same rules.

LIST OF NAMES AND TITLES OF QWEST EMPLOYEES INVOLVED:

John Smith	Original Supervisor of Installation and Repair in Prescott till end of 2000.
Dan McFarland	Supervisor of Installation and Repair in Prescott as of Start of 2001.
John Dugan	Engineering Supervisor in Prescott Area All thru the calander of events.

Ted Drake Engineer in Prescott Area for the year 2000.
Jason ? Business Office

LIST OF PROPERTIES INVOLVED IN OUT OF TERRITORY HOOK UP: (Also Highlighted on Map)

103-01-195G - Dunn Family
103-01-172K - Lehman Family
103-01-195H - Skipper Family
103-01-172G - Hernandez Family (Also bought 103-01-176N)

LIST OF OTHER PROPERTIES INVOLVED:

103-01-172S - Thompson Family
103-01-172J - Denton Family
109-01-176T - Ted Moxley

OTHER INFORMATION INCLUDED WITH COMPLAINT:

Yavapai County Map of area
Pictures of homes with service
Page from Info packet received at time of purchase

Information given to us when we bought the property
when we called the phone company they gave us a statement
that service was available.

Poquito Valley Information

BUILDING SITES

The subject property has limited flood plain, so excellent building sites abound. Please note, a parcel may be split five times without exceeding limitations and being classified as a subdivision, provided the minimum 2 acre zoning is not violated.

ACCESS

The dirt road providing access is a private road. A lender may require a road maintenance agreement be signed by those serviced by the road. According to the Poquito Valley developers, their responsibility for road maintenance expired 3 years after initial development, i.e. approximately 4-5 years ago. Efforts are being made to initiate a road maintenance agreement between the owners of lots 21-44.

ELECTRICITY

The closest electricity is on the South half of Lot 22. Arizona Public Service have confirmed that Poquito Valley is within their service area. The first 1,000 feet of installation is free to an individual consumer. This complimentary service installation is accumulative, i.e. If four consumers require service installed concurrently, then collectively they warrant 4,000 feet free of charge. (Check with APS regarding closest access point and availability of utility easements.) Underground utilities are required by the protective covenants, ensuring a more enduring desirable location for those wishing to live in the area.

TELEPHONE

U.S. West Communications has confirmed that Poquito Valley is within their exchange boundary for telephone service. Installation to the first consumer is charged at full rate, then a \$3,000 rebate toward costs is applied. This rebate program is believed to be accumulative to consumers requiring concurrent service installation.

WATER

Test wells in the area have been successful at 400'-450', and an abundant supply of water has been accessed by the production well for Viewpoint subdivision. It is possible to collaborate with neighbors (max. 4 per well) to drill a shared well and, thereby, split the cost of the well digging and maintenance.

This information has been received from sources deemed reliable, but no liability is assumed for error or omissions, and no warranties or representations are made or implied.

Yavapai County Map - 103-01-172 S -

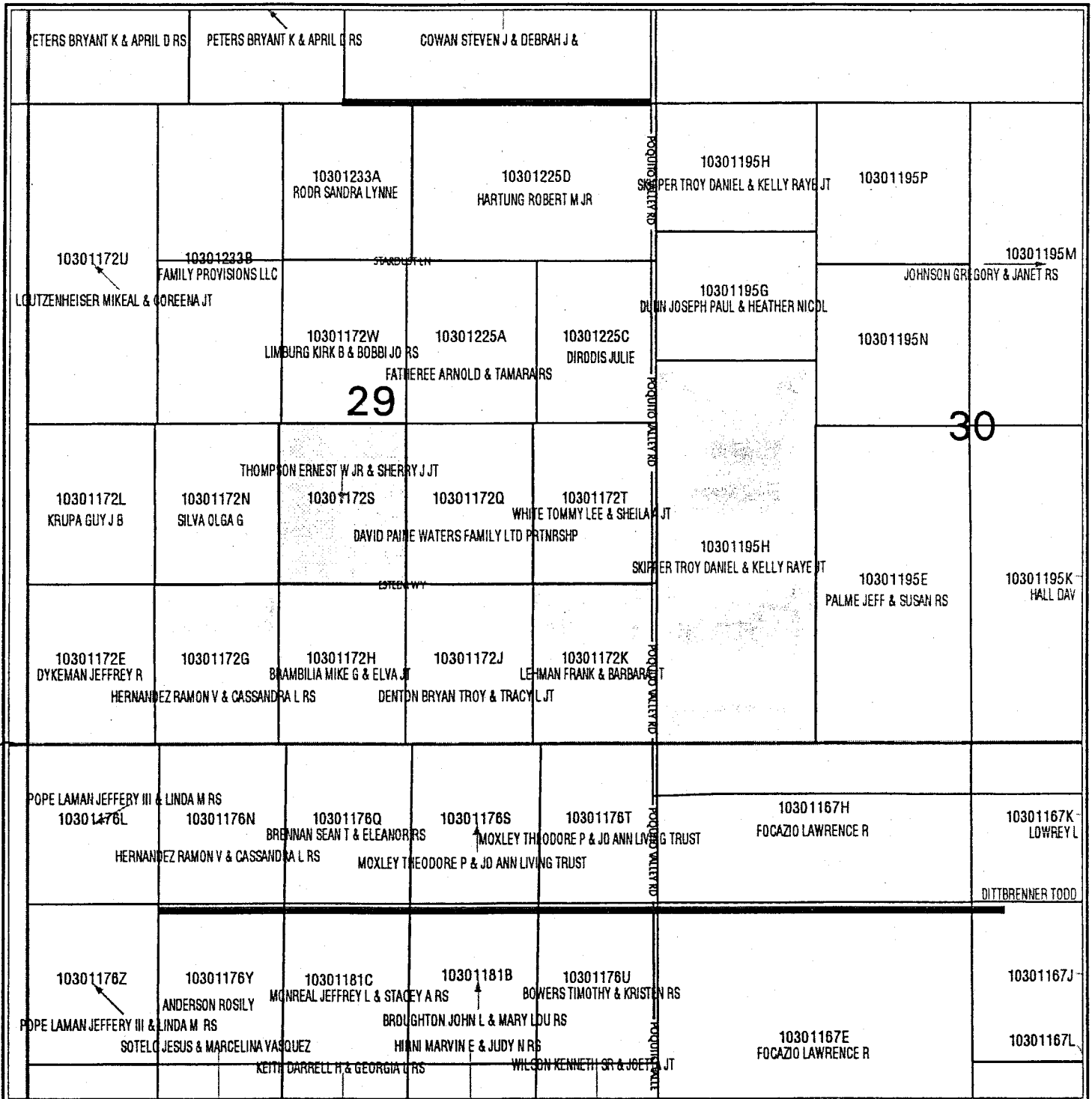


- Parcel Lines
- Historic Lines
- Road Centerlines
- Section Lines
- Township Range Lines

Lots Highlighted Are homes
that have been given service
out of Area



1 inch = 300 feet



YAVAPAI COUNTY ASSUMES NO RESPONSIBILITY FOR ERRORS, OMISSIONS, AND/OR INACCURACIES IN THIS MAPPING PRODUCT.

Printed on: 06/21/02

territory Boundary line (South is in / North is out)

Yavapai County Map - 103-01-172 S -



- Parcel Lines
- Historic Lines
- Road Centerlines
- Section Lines
- Township
- Range Lines

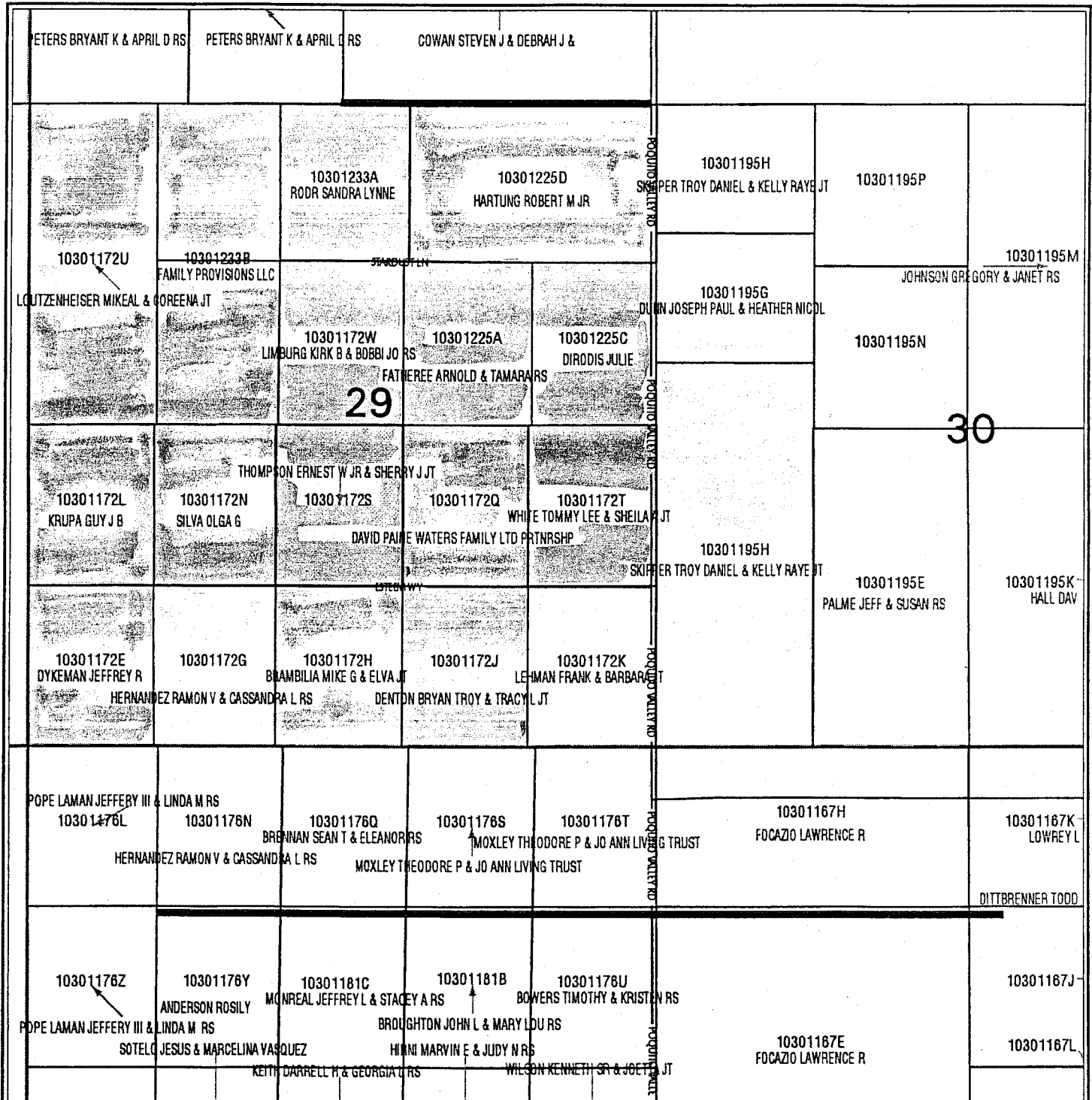
Lots that currently have
Homes But Don't have Service.
Have Service Already

No Home on lot

(Area that we are Requesting Service)



1 inch = 300 feet





103-01-172 B

As you can see
the 4x4 post
and were they
brought the
service to the
home.

(Hooked up
Feb. 14 2002)

103-01-172 S

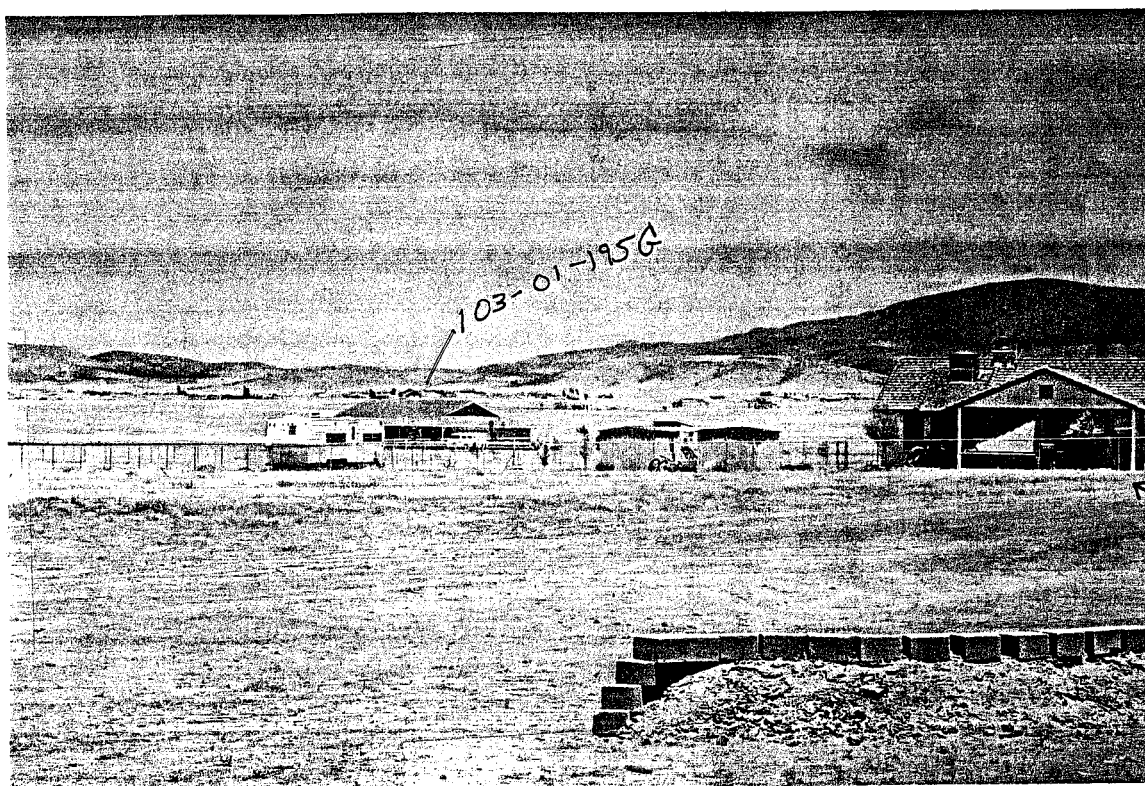
The Thompson Family
Home
No service now



103-01-176 W

2 Acre Parcel Bought
By the Hernandez
Family In territory
(no structure except
4x4 post on property
line).

there never has been
any sort of structure
on this property
except the post
that was installed
in Feb of 2002



103-01-195G
the Dunn Family
Home that
was the first
hooked up.
Recently sold
and new family
just got service
with no questions
asked

103-01-172T
the white Family
home. (no service)



103-01-172K
2nd frame hooked
up with service
(the Lehman Family)

← 103-01-172J
Tracy Dentons
home with
no service now



103-01-195 H
the Skipper Family
Home At the end
Of Esteem way.

DOCKETED

ORIGINAL

SEP 17 2002

DOCKETED BY	CA
-------------	----

RECEIVED

T-01051B-02-0535 (Consolidated) Ernie & Sherry Thompson, Arnold & Tamara Fatheree, Kirk & Bobbi Limburg, Sandra Rodr, Tommy L. White, Susan Bernstein, John J. & Patricia J. Martin, April & Bryant Peters and Troy & Tracy Denton.

Vs.

Qwest Corporation

2002 SEP 17 A 9:00
AZ CORP COMMISSION
DOCUMENT CONTROL

The following is in response to the Qwest Corporations answers to our formal complaint. Out of all the issues in the consolidated complaint Qwest choose to address only three. Two of the three answers were evasive and the third was incomplete. The rest of the complaints we're assuming are explained in number 6 of their answer "Qwest denies each and every allegation affirmatively alleged in complainants complaints that is not expressly admitted". Is this the if I don't address the issue it must be false defense, or the liar liar pants on fire defense?

Qwest has put together a legally intimidating consolidated answer, which had most of the complainants convinced that our case was dismissed. The only thing that should be dismissed in this matter is Qwests response to our complaint. We believe Qwest has set precedence in this matter and should be made to answer all allegations set forth in the consolidated complaint. Qwest should not be allowed to ignore any of the issues in this matter. We have a more than adequate bases for our claims and the relief we seek which is to be given the opportunity to have service in our homes.

We all have big investments in our homes and can't get Qwest to give us phone service, as with all the complainants, we were told service was available. Each of us called Qwest for service and was given a date for installation and our new phone numbers. Then to be told later that we were out of the exchange boundaries. To this day Qwest business offices will inform homeowners in the same area that service is available. As long as this practice goes on people will make investment in this area only to be told after there is no backing out that service is not available. Selling our homes now is not an option because people want phone service and the fact that it is not available has to be disclosed. The only ones that seem to have to live by this rule are the homeowners. Qwest is denying that in complaint (T-01051B-02-0512) they did not give verbal conformation of service why then do they still tell people out of exchange boundaries that service is available until they try to get the service installed. Qwest is being fraudulent in this practice and should be held accountable.

We are requesting the opportunity to review the documents referred to in Qwests consolidate answer.

1. Qwest Service Quality Tariff and Cellular Subsidies.
2. A.R.S. 40-246 & A.R.S. 40-246(A)
3. Title 40 of the Arizona Revised Statutes and Qwest Tariffs.
4. Bruce Walker V. US West Communications, Inc.,
Docket No. E-1051B-96-543 Decision No. 60175
5. Don B. Miller and Moira L. Miller V. US West Communications, Inc.,
Docket No. E-1051B-97-130
6. Bryan & Pam Dellinger v. Qwest Corporation,
Docket No. T-01051B-01-0354, Decisions No. 64828
7. A.R.S 40-492
8. A.A.C. R14-2-509(B)
9. Updated Maps of Exchange Boundaries with the homes in question added.
10. Signature card signed by the Denton family.

EXHIBIT

tabbies

R-2
Admitted

We are requesting that Qwest provide the above listed information within a reasonable timetable for our review before the hearing date of November 4, 2002. These documents can be sent to the attention of Sherry Thompson, P.O. Box 27016, Prescott Valley, AZ 86312

Enclosed in this response are:

- 1. Copies of the Statements from each of the five homeowners out of the exchange boundary that have service with Qwest.**
- 2. Copy of the fraudulent map Qwest sent to the Thompson family.**
- 3. Copy of an original letter from Qwest to the Thompson family.**
- 4. Copy of the second letter sent to the Thompson family.**
- 5. Copy of map indicating the properties with phone service.**

Responses to each Statement Qwest made in numerical order.

1. *Qwest is a public service corporation qualified to do and is doing business in Arizona.*

Not for the entire public, only in pre-determined areas, for a select few that for some unknown reason can be out of exchange boundaries and still receive service.

2. *Qwest provides telecommunications services within its exchange boundaries in the State of Arizona.*

Also to a few areas that are not in the exchange boundaries. Qwest did not address the issue of lots 103-01-195H, 103-01-195G & 103-01-172K in their answer to the Arizona Corporation Commission and to the complainants. Was this just overlooked or was this done on purpose so they had more time in which to come up with an answer?

3. *The complainants live in an area that is outside of the exchange boundaries in which Qwest provides services (open territory) and for that reason Qwest is not obligated to provide service to them.*

Over the last two years we have been made well aware of the fact that we were out of territory. Before we purchased our land and home we got verbal and written conformation (Sent with original complaint #T01051B-02-0512) by Qwest and our Realtor that service was available. Qwest's above response to our complaint uses the word OBLIGATED meaning to bind legally or morally or to bind by favor. Well legally we hope that will change, morally we think that should speak for itself and as far as binding by favor well only the select few can receive favors from Qwest.

4. *At present, Qwest does not intend to extend facilities into open territory and has no obligation to do so.*

At present, Qwest has already extended into open territory. We feel Qwest should be obligated to provide service to all the homes that encompass the area already effected. Precedence was set each and every time they provided service beyond exchange boundaries.

5. *The Complainants are not subject to Qwest's Service Quality Tariff and cellular subsidies, which do not apply to open territory.*

Qwest is right about the service quality tariff or cellular subsidies. Which is okay because we had one of Qwest's cellular phones for 2 month out here. We could make phone calls with it but could not receive phone calls. We were told we were to far from the towers for it to work properly and were not held to the contract. But why this was brought up in their answer I'm not sure, except for Qwest offering it back in 10/99 as stated in my original complaint (T-01051B-02-0512 item 7) and then reneging on the offer.

6. *Qwest denies each and every allegation affirmatively alleged in Complainants' complaints that is not expressly admitted.*

So are we to understand that Qwest is in so many words telling the Arizona Corporation Commission and the complainants that everything stated in the original complaint (T-01051B-02-0512) must be false because they haven't admitted to any of it. In fact the only thing Qwest has admitted to out of all the complaints, is to making a system error with respect to account #928-759-7267. If this is the case attached are copies of the statements from the parties out of the exchange boundaries with phone service stating the circumstances in which they received service.

7. *Complainants fail to state a claim for which relief can be granted. Under A.R.S. 40-246, a person may make a complaint alleging any act or omission by any public service corporation in violation of "any provision of law or any order or rule of the commission . . ." A.R.S. 40-246(A). Complainants' complaints fail to allege any of the aforementioned violations. Thus, Complainants has no basis to state a claim under Arizona law.*

How Qwest figures we failed to state a claim for which relief can be granted is beyond us. They say a picture tells a thousand words, well Qwest just wasn't listening. The pictures provided with the complaint (T-01051B-02-0512) prove the existence of out of exchange boundary service. Our claim is that Qwest has set precedence in continually providing service out of the exchange boundary. Qwest should not be allowed to discriminate with who receives this service. Relief we seek is to be granted service to our homes in an area that has already been extended through the underhanded methods of the Qwest Corporation. It seems that Qwest has decided to ignore the allegations of the three homeowners that they have provided service for earlier, gave an incomplete answer to the recent fourth and ignore the reconnect completely. Or could it be that they need more time to explain them away.

8. *Qwest provides service in accordance with Title 40 of the Arizona Revised Statutes and Qwest's tariffs currently on file with the Commission. Qwest is not obligated to provide service contrary to or in excess of the requirements and obligations set for in Qwest's tariffs and applicable Arizona statutes.*

Not being familiar with Title 40 of the Arizona Revised Statutes and Qwest's tariffs, were assuming from the statement above that Title 40 says that Qwest is not obligated to provide service to anyone outside of the exchange boundaries. But that at anytime Qwest can choose to cross the boundaries and give service to customers of their choice. Qwest in the past had sent a map showing their exchange boundaries the map received has no indication of the homes out of the exchange boundaries. Why? Maybe because by re-mapping the area to show homes with service would be admitting to showing preference to certain consumers and admitting that they have crossed the line and set precedence not once but four different times. So this can not be written off as an OOP's we made a mistake. Qwest has already used that excuse in this matter.

9. *The commission has recognized in other decisions that Qwest has no duty to provide service in open territory. See, e.g., Bruce Walker v. US WEST Communications, Inc., Docket No. E-1051B-96-543, Decision No. 60175; Don B. Miller and Moira L. Miller v. US West Communications, Inc., Docket No. E-1051B-97-130, Bryan & Pam Dellinger V. Qwest Corporation, Docket No. T-01051B-01-0354, Decision No. 64828.*

All this says to us is Qwest has crossed the line before and has gotten away with it. And that maybe Qwest's practices when it comes to who gets service and who doesn't in open territory should be looked into a little deeper. We would like to have copies of the decisions in all of these cases for review to see if they have any significance to our complaint against Qwest set before the Arizona Corporation Commission.

10. *As to the complaints lodged by Arnold and Tamara Fatheree outside of the issue regarding Qwest's duty and ability to serve outside of its serving territory addressed above, Qwest admits that there was a system error with respect to Account No. 928-759-7267, which resulted in the issuance of a bill to the Fatherees where no service had been installed. As a result, Qwest has not and will not pursue payment, and the Fatherees owe no payments to Qwest on Account No. 928-759-7267 at 7175 E. Stardust Lane, Prescott Valley, 86314.*

It's really big of Qwest to not charge the Fatherees for service they would like to have but cannot. As to the statement that Qwest has not pursued payment is an out and out lie. Months of phone call after phone call to Qwest on this matter produced nothing except that their service was suspended for lack of payment and they cannot reestablish service until the bill has been paid. This matter was only dropped after it was brought up at the town meeting with the Arizona Corporation Commission and Qwest representatives in Prescott May of 2002.

11. *As to the complaints lodged by Ernie and Sherry Thompson and Troy and Tracy Denton, Qwest affirmatively alleges that in March 2001, Qwest field engineers discovered that telephone lines had been re-routed by an unknown third-party from an address within Qwest's serving territory, 9990 North Poquito Road, to the Thompson and Denton properties, which are outside of Qwest's serving territory, without authorization from Qwest and in violation of A.R.S. 40-492. As a result, Qwest terminated service to the Thompson and Denton properties with notice pursuant to A.A.C. R14-2-509(B). (See April 12, 2001 letters to Thompson and Denton attached as Exhibit A)*

Just as we have stated in our complaints (T-01051B-02-0512 & T-01051B-02-0535), we called into the Qwest business office and talked to Jason about getting service at the Moxley residence at 9990 North Poquito Valley Road and bringing it to our homes. Mr. Moxley had an extra line in his home and was told by Jason that he could will the line to anyone he chose to. And that as long as the billing was for the 9990 Poquito Valley Road address it could be in our own names and P.O. Boxes, Jason also told us how to trench the lines to our homes. We rented a trencher and trenched the lines from our homes to the Moxley residence and called in our orders for phone lines. This was done with the authorization from Qwest and none of it was done with deception. There was a error on the original complaint stating that the Dentons called in later for a second line when in fact they ordered the second line at the same time as the original but the additional line was not available at that time. Then when the engineers came out to find facilities for the second line they saw the line going to our homes. If we were trying to hide anything why would we call in

asking permission to do this and set it up for anyone to see. Mr. Moxley let the engineer check the facilities at his home having nothing to hide. If we were trying to hide the fact we would have buried the cable and made the connections underground were they would not be able to find it and would have had all the lines in Mr. Moxleys name as not to arouse suspicion. We did nothing illegal or underhanded in this matter. The Engineer Ted Drake and Supervisor Dan McFarland disconnected the line and sent out a letter to Sherry and Ernie Thompson. The Denton family never received a letter from Fennemore Craig. We believe the letter in Exhibit A addressed to the Denton family is a simulated copy of the one sent to the Thompson's with the address changed (The wrong one at that). Qwest we know has the correct address for the Denton family because they had no problem sending the billing for the 3 week of phone service. We would like the Law offices of Fennemore Craig to show proof of the return signature card that would have had to be signed by the Denton Family to receive.

12. *As to the Raymond and Cassandra Hernandez property alleged by Complaints to be outside of Qwest's service territory, service has been established to the Hernandez property at 7070 E. Moonlit Drive. The 7070 E. Moonlit Drives address is within Qwest's serving territory.*

No one is disputing the fact that service was established and billed with the address of 7070 E. Moonlit Drive (Lot 103-01-176N) which is in the Qwest exchange boundaries. The issue you are not addressing is that the service was allowed to be established on a post for that property with Qwest's knowledge that the service would be run to the Hernandez's home which is on 7095 Esteem Way (Lot 103-01-172G) not within the exchange boundaries. This in your own testament (Exhibit A Letter to the Thompson's) is a violation of the law pursuant to Arizona Administrative Code ("A.A.C.") R14-2-509(B) and in #11 of your response a violation of A.R.S. 40-492. So if we understand correctly its against the law if we the people do it, but not if you the Qwest Corporation do it. Proof of this occurrence was sent with original complaint (T-01051B-02-0512). Proof was in the form of a picture, the one showing the post with the interface attached and the evidence of the trench going to the Hernandez home out of the exchange area and the trench going to the phone facilities on easement for 7070 E. Moonlit Drive. And also with the attached statement in this response from the Hernandez family.

13. *Qwest sent copies of its July 31, 2002 Joinder to Staff's Motion to Consolidate and its August 1, 2002 stipulation to extend the time for filing its answer until August 26, 2002 to all Complainants at the addresses provided by Complainants in each Complaint filed with the Commission. Qwest received back, as not deliverable, these documents from the following parties: Susan Bernstein at 7835 East Memory Lane, Prescott Valley 86312; Kirk and Bobbi Limburg at 7125 East Stardust lane, Prescott Valley 86314; and Arnold and Tamara Fatheree at 7175 East Stardust lane, Prescott Valley 86314. Attached as Exhibit B are copies of the envelopes returned to Qwest. Currently, Qwest has no other addresses for the parties.*

The complainants listed above have been notified of the problem and will call into the Arizona Corporation Commission to rectify the address situation. The correct addresses are also listed on the signature sheet of this response.

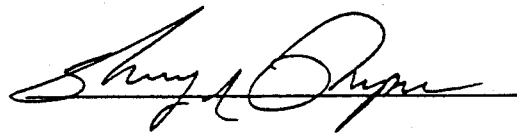
14. *Qwest reserves the right to amend this answer to allege additional affirmative defenses that become known through discovery.*

We would hope Qwest would reserve the right to amend their answers because they have left out half of the issues in our complaint. And the issues they have addressed to this point are evasive and incomplete.

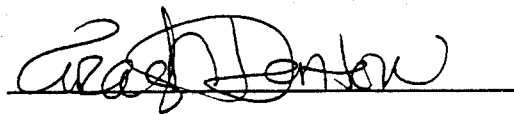
WHEREFORE, Qwest Corporation, having moved to dismiss, requests that the Complaint be dismissed with prejudice.

I'm sure they would like this complaint to be dismissed with or without prejudice for that matter. I can't believe that this motion has come from a reputable Law firm for a large Corporation like Qwest. But then again you did have some of the complainants intimidated into thinking all was lost. But it will take more than legal intimidation to make this go away. We have a right to have our complaint heard and judged. That's why we have the Arizona Corporation Commission to protect the public from public service corporations.

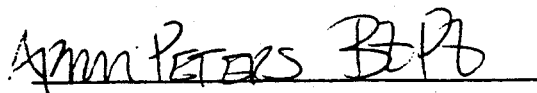
Ernest & Sherry Thompson
P.O. Box 27016
Prescott Valley AZ, 86312



Troy & Tracy Denton
P.O. Box 26343
Prescott Valley AZ, 86312



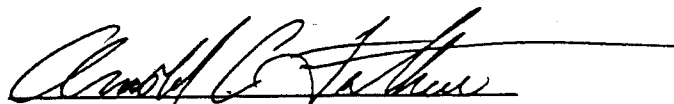
April & Bryant Peters
P.O. Box 27302
Prescott Valley AZ, 86312



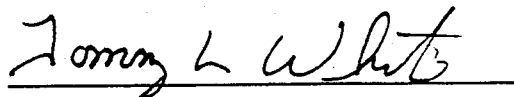
John J. & Patricia J. Martin
P.O. Box 25428
Prescott Valley AZ, 86312



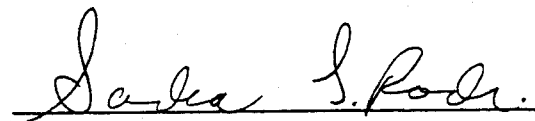
Arnold & Tammy Fatheree
P.O. Box 26268
Prescott Valley AZ, 86312



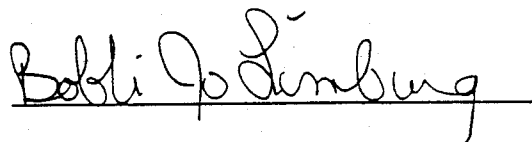
Tommy L. White
P.O. Box 27951
Prescott Valley AZ, 86312




Sandra Rodr
P.O. Box ~~26995~~ 25996
Prescott Valley AZ, 86312



Kirk & Bobbi Limburg
P.O. Box 27683
Prescott Valley AZ, 86312



Sandra Bernstein
P.O. Box ???
Prescott Valley AZ, 86312



Statement of Fact

To: The Arizona Corporation Commission
CC: Qwest, Complainants & All interested parties
From: The Skipper Family
Date: 09/08/02
Re: Out of exchange boundary telephone service.

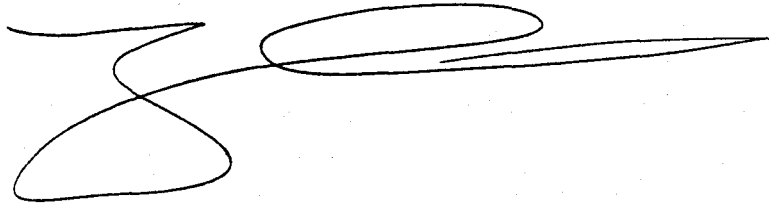
Telephone Service for Lot 103-01-195H

On or around July of 1999 we requested telephone service for our home. Service was denied do to the fact we were out of the exchange boundaries.

We contacted Qwest and talked to a gentleman by the name of John Smith. John Smith was the Supervisor of installation and repair for the Prescott area.

John Smith gave us the go ahead to trench and lay cable to the service area. After installing the cable, a technician by the name of Steve Pomaroy hooked up our service.

We have had continuous service with Qwest since that time.

A handwritten signature in black ink, consisting of a stylized 'S' followed by a horizontal line that loops back under the 'S'.

Cassandra Hernandez

P. O. Box 25165
Prescott Valley, AZ 86312

928-775-7464

September 11, 2002

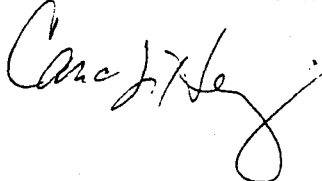
To whom it may concern,

This letter is to explain how we came about having a phone line at 7095 E. Esteem Way in Poquito Valley.

July of 2001 when we moved here we were informed that we lived out of Qwest territory. No house north of us would ever have a land line provided by Qwest. I was then told by the engineering department in Prescott Valley that if we purchased the piece of property directly south of us that was the only way we would be able to have a phone line. We tried many times to understand why we were being denied the service with which our neighbors down the way have. So in January of this year we purchased the property just south of us. We trenched and laid the line from the property line to our home.

It has been a frustrating process to have a basic service which can be very important for many reasons such as safety and business. So many people rely on a phone to make a living which is the reason we were so determined to have a landline.

Cassandra Hernandez



Statement of Fact

To: The Arizona Corporation Commission
CC: Qwest, Complainants & All interested parties
From: The Chavez Family
Date: 09/08/02
Re: Out of exchange boundary telephone service.

Telephone Service for Lot 103-01-195G

On or around April of 2002 we purchased our home from the Dunn Family. Service was already established at our new home. All we had to do was call in for a change of Number and billing.

We have had continuous service with Qwest since that time.

Lon O'Leary
9-8-02

To Whom it may Concern:

I'm writing this letter for Troy and Tracey Denton, who live next door to me -

My name is Frank Lehman. I moved to Poquitos Valley approx. four years ago, at that time, there was nothing out here, I contracted with a local real estate co. to install underground power and telephone. I was told by US West that they would not service this section at that time, there was not enough homes to warrant their services.

At the time I was installing the underground I went ahead and installed my own underground telephone cable to the closest telephone box and to my house. I called US West and ordered service, at that time I was the only house at the end of the line and there was an extra line in the box, fortunately I was connected up.

Since then this area has grown alot, and now people need phone service

Sincerely Frank Lehman

Statement of Fact

To: The Arizona Corporation Commission
CC: Qwest, Complainants & All interested parties
From: The Dunn Family
Date: 09/08/02
Re: Out of exchange boundary telephone service.

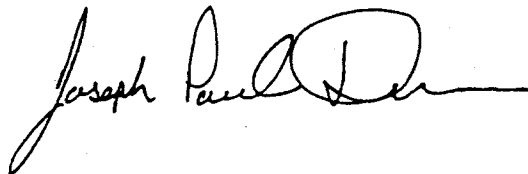
Telephone Service for Lot 103-01-195G

On or around March of 1999 we requested telephone service for our home. Service was denied do to the fact we were out of the exchange boundaries.

We contacted Qwest and talked to a gentleman by the name of John Smith. John Smith was the Supervisor of installation and repair for the Prescott area.

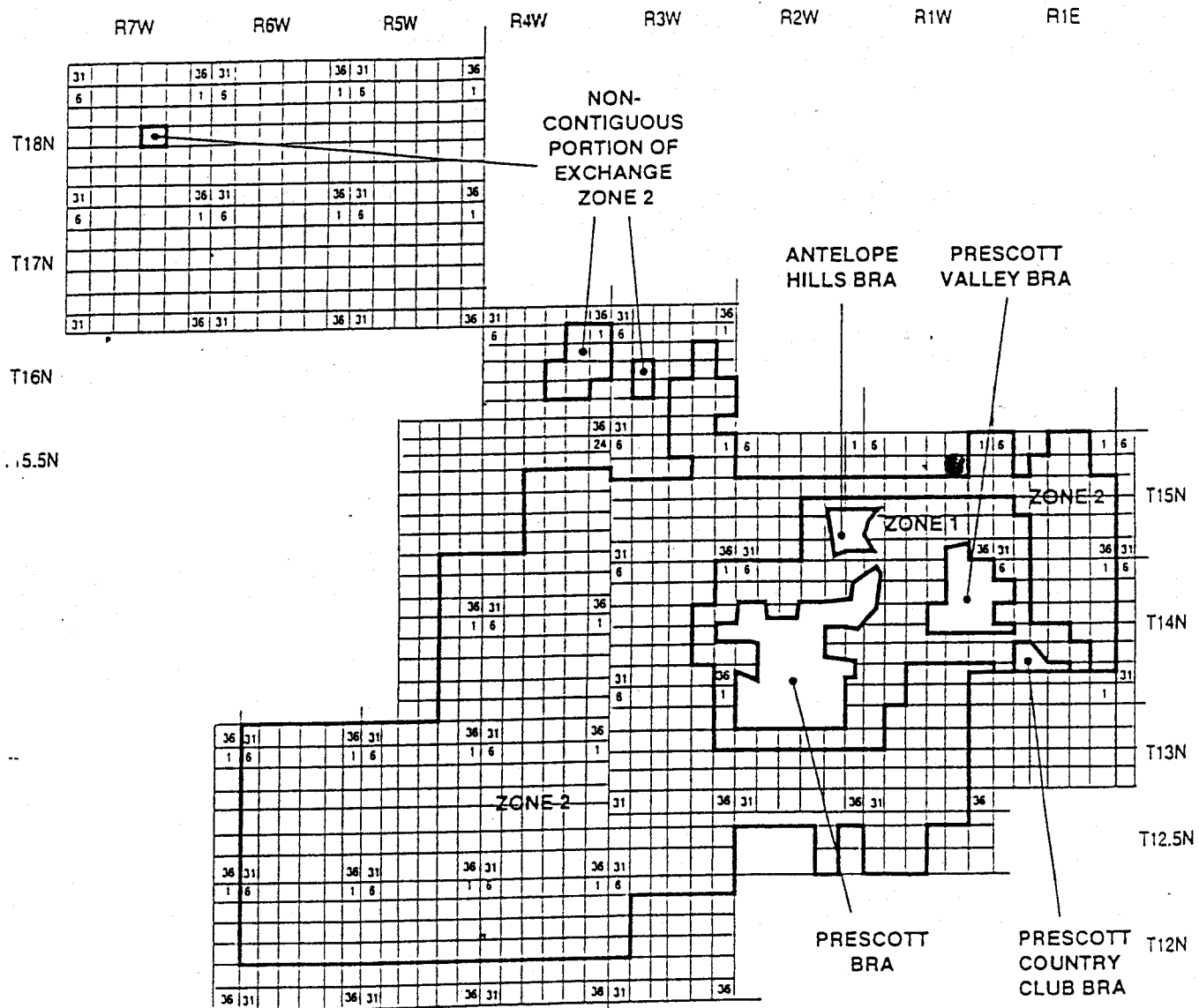
John Smith gave us the go ahead to trench and lay cable to the service area. After installing the cable, a technician by the name of Steve Pomaroy hooked up our service.

We had continuous service with Qwest since that time, until recently when we sold our home.

A handwritten signature in black ink, appearing to read "Joseph Paul Dunn". The signature is fluid and cursive, with a large loop at the end.



PRESCOTT, ARIZONA
EXCHANGE AREA
Fifteenth Revised Sheet
Supersedes Fourteenth Revised Sheet



ISSUED: September 4, 2001
Revised 12-2001

BY TERESA WAHLERT, ARIZONA VICE PRESIDENT
3033 NORTH THIRD STREET, PHOENIX, ARIZONA

Effective: October 4, 2001

Here: Highlighted above is T15N, R1W, Sec 11. As you can see, Section 11 is just outside Qwest boundary. Regarding retire concession, please



January 26, 2000

Ernie Thompson
P.O Box 27016
Prescott Valley, AZ 86314

Dear Ernie Thompson:

On December 2, 1999 US WEST Communications received an application for telephone service from you. It has been determined that you are located in open territory which means you are outside US WESTS franchised service area. US WEST chooses not to provide facilities outside of its serving area and as a result your order for telephone service will be cancelled as of January 26, 2000.

If you have any questions, please call 602-665-2497.

Sincerely,

Service Order Consultant
Center for Delayed Orders

January 10, 2000
CENTER FOR CUSTOMER EXPERIENCE
TELEPHONE NUMBER: 1-888-849-9369

U S WEST
COMMUNICATIONS ©

ERNE THOMPSON
P O BOX 27016
PRESCOTT, AZ 86314

Order: N12472424

Anticipated TN: 520 772-3059

We regret that U S WEST Communications, Inc. (U S WEST)*, is temporarily unable to supply you with telephone service. There are currently no facilities available to service your location. However, U S WEST has a program for qualified ** customers, which offers options while primary service is delayed.

• ***The Basic Service Installation Charge Bill Credit***

A bill credit of \$46.50 for residence and \$56.00 for business customers will be applied to the account after primary service is connected.

• ***Remote Call Forwarding, also known as Market Expansion Line***

Transfers incoming calls to the number of your choice. It immediately establishes the telephone number, provides a directory listing and the ability to place calls using a U S WEST Calling Card.

If your service is delayed for more than 30 days, you will receive one of the following options. (Your eligibility for these programs begins on the 31st day. (It is NOT retroactive):

BASIC SERVICE BILL CREDIT

If you do not choose the Wireless Subsidy Program, you will receive a credit for the monthly basic service rate (\$13.18 for residence and \$32.78 for business) for each month or partial month that your primary service is delayed beyond 30 days. This credit will be applied to your account after your primary service is connected.

• **WIRELESS SUBSIDY PAYMENT PROGRAM**

U S WEST will provide Wireless subsidy payment of \$150.00 if your primary service is held for over 30 days (it is not retroactive). On the 61st day, if your order is still delayed, you will receive an additional \$150.00 subsidy payment and every 30 days thereafter until your service is installed. To qualify for these payments you must subscribe to a wireless service. Please see more information under "Qualified customer definition" on the following page.

NOTE: Those subscribers previously furnished with special equipment, which provided wireless telephone service (also referred to as Interim Service Solution/Qualcom) may continue to use that special equipment in lieu of converting or switching to the wireless voucher program.

** **Qualified customer - Definition**

- Must be delayed more than 30 days after application date.
- **Your eligibility begins on the 31st day and is not retroactive.**
- Residential Wireless Subsidy does not apply if there is other residential service at that address.
- Only the 1st residence line at a residence location or the 1st business lines at a business location that is held for company reasons are eligible.
- Must be living at or conducting business at the service address.
- Must have permanent power at the service address.
- Order must be held for U S WEST reasons
- Order is not qualified for subsidy if delayed for construction charges and or agreements not met from either the customer or their developer.

Following are the guidelines for qualified customers electing to participate in the U S WEST Wireless Subsidy Payment Program:

- A. Contact the wireless provider of choice and negotiate the type of service desired, including wireless telephone equipment, billing plan, long distance service, etc. It may be beneficial to advise the wireless company that you are requesting service in connection with the U S WEST Wireless Subsidy Payment Program.
- B. Once wireless service has been obtained, a subsidy payment of \$150.00 will be provided for every 30-day increment after the qualification date. Any additional costs are your responsibility. The Wireless Subsidy Payment Program is intended to offset the cost of limited communication for essential needs.
- C. Please note that IRS regulations require US WEST to send you a form 1099 if you are a non-incorporated business customer AND the payments amount to MORE THAN \$600.00 in a calendar year.
- D. The wireless service *MUST* be billed in the same name as the U S WEST service.
- E. You are not required to purchase wireless service from any particular wireless provider in order to receive the U S WEST wireless subsidy payment. You are, however, responsible for dealing directly with the wireless service provider and will be subject to the terms and conditions of the wireless provider.
- F. Once you have signed up with a wireless provider, complete the attached Wireless Subsidy Payment Program Signature Form and follow the instructions on how to send in the information. Payments will start once we have received the completed form and verify qualifications. The payments will continue, as long as you remain qualified, or until service is provided.
- G. If your wireless provider has any questions, the provider may call us at 1 888-849-9369 (toll free).
- H. U S WEST will notify you when your primary service becomes available. You are responsible for terminating your wireless service. Once your primary service is connected you will no longer receive a wireless subsidy payment. If you choose to maintain wireless service, you will be responsible for ALL costs for the wireless service.
- I. Customers must maintain their land line service for at least the number of months that the subsidy payments were provided. Customers who disconnect the land line service for which the subsidy payments were made, may be required to repay the total amount of wireless payments received.

*** WHAT U S WEST COMMUNICATIONS WILL NOT REIMBURSE YOU FOR:**

- A. Any wireless payments prior to your 31st day.
- B. Any previous wireless payments you may have made.
- C. Any charges billed to you by a long distance carrier.
- D. Any charges you incur exceeding the monthly reimbursement.
- E. Any wireless service you may choose to keep after your primary service line telephone service is ready.
- F. Penalties for early termination of a wireless lease agreement.
- G. If you have a wireless lease agreement in place at the time your primary service becomes available, U S WEST Communications will NOT reimburse you for charges you incur during the remainder of the lease.
- H. Non-Refundable deposits requested by wireless companies.
- I. The cost of a wireless telephone or other equipment.

REMINDER

If you choose the Wireless Subsidy Payment Program, the enclosed form must be completed and faxed or mailed to U S WEST before payments begin. To insure prompt payments and maximum benefits, please respond within 30 days of receiving this letter.

All credits will be applied to your account after primary service is connected. If you would like to arrange for Remote Call Forwarding and/or Voice Messaging Service, or have any other questions, please call us at 1-888-849-9369. (Toll free).

Cordially,

CENTER FOR CUSTOMER EXPERIENCE
TELEPHONE NUMBER: 1-888-849-9369

Yavapai County Map - 103-01-172 S -

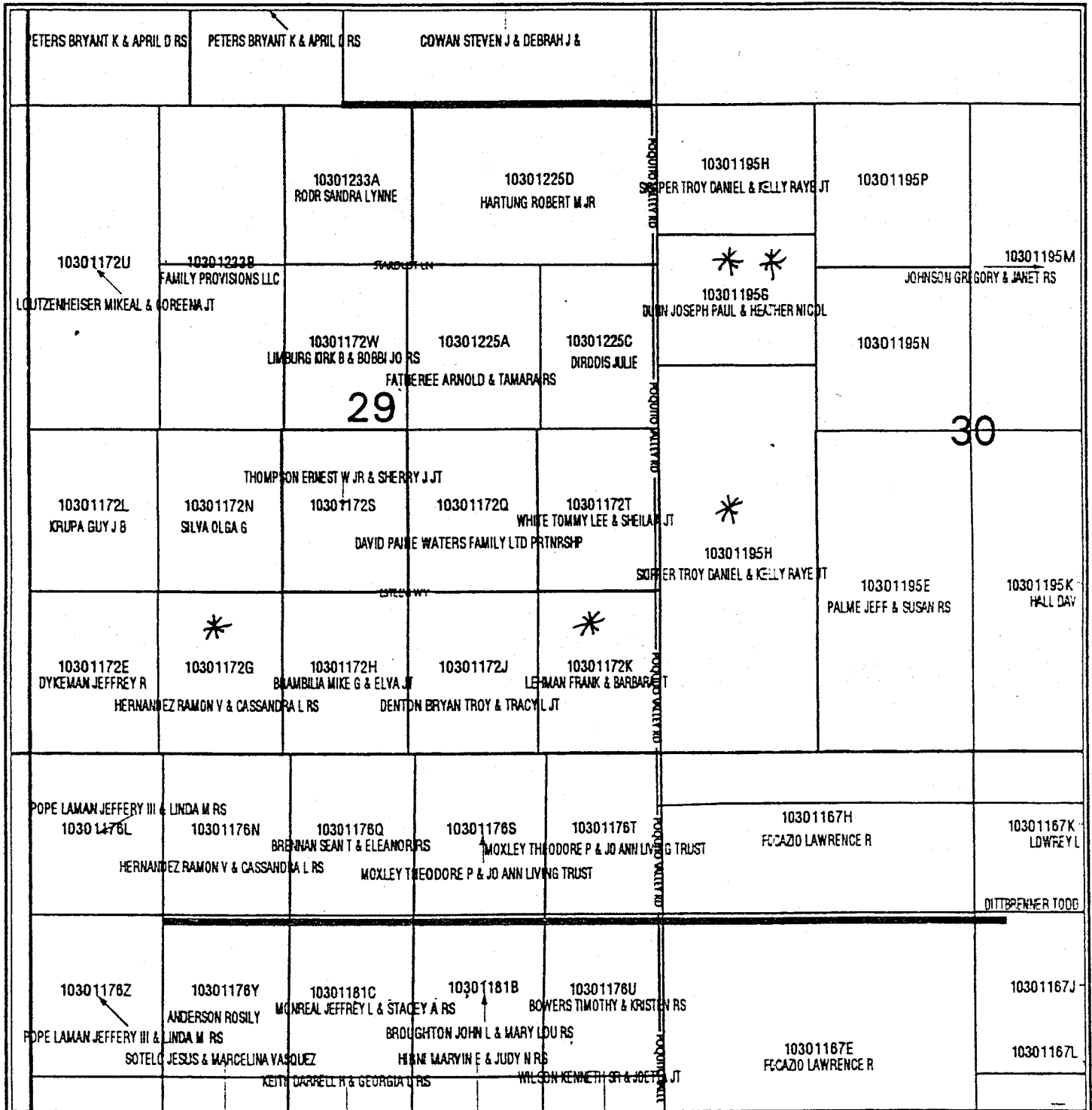


- Parcel Lines
- - - Historic Lines
- Road Centerlines
- Section Lines
- Township
- Range Lines

* Homes with Service out of the Exchange boundaries



1 inch = 300 feet



1 FENNEMORE CRAIG
2 A Professional Corporation
3 Timothy Berg
4 Theresa Dwyer
5 Darcy Renfro
6 3003 North Central Avenue
7 Suite 2600
8 Phoenix, Arizona 85012
9 Telephone (602) 916-5000

10 Attorneys for Qwest Corporation

11 **BEFORE THE ARIZONA CORPORATION COMMISSION**

12 RESIDENTS OF PRESCOTT VALLEY,
13 TRACY AND TROY DENTON, ET. AL.,

Docket No. T-01051B-02-0535

14 COMPLAINANTS,
15 VS.

**QWEST CORPORATION'S FIRST SET
OF DATA REQUESTS TO
COMPLAINANTS ERNEST AND
SHERRY THOMPSON**

16 QWEST CORPORATION,
17 RESPONDENT.

18 Qwest Corporation ("Qwest") hereby submits its first set of data requests to Complainants
19 Ernest and Sherry Thompson in the above-captioned docket and instructs that full and complete
20 responses be made within ten (10) calendar days.

21 **DEFINITIONS AND INSTRUCTIONS**

22 The following definitions and instructions apply to this set of data requests:

23 A. The terms "document" or "documents" include written, typed or printed material
24 of any kind, and material in any other medium used for preservation, duplication or recording of
25 written or spoken words or data.

26 B. A request for documents is for anything that is in written form or that is a tangible
recording of speech, sound, pictures, words or symbols however produced or reproduced,
including but not limited to, drafts, preliminary versions, alterations, revisions, written comments
of and concerning such material, correspondence, letters, memoranda, notes, reports, directions,
studies, investigations, questionnaires, surveys, inspections, complaint papers, files, books,
manuals, instructions, pamphlets, forms, contracts, contract amendments or supplements, contract
offers, tenders, acceptances, counteroffers, negotiating agreements, working papers, invoices,
statements, notes, computer outputs, agreements, entries, calendars, reports, diaries, financial or
accounting records, lists, reports of telephone or other oral meetings, telephone logs or
appointment records. The term "document" includes the original or copies when originals are not

1 available. The term "document" includes those documents in your possession, custody or control,
2 including without limitation, the possession, custody or control of your agents, servants,
3 employees, members, consultants, respective present and former attorneys, and any other person
acting or who has acted on your behalf.

4 C. If a data request calls for the production of a document that you claim as attorney-
5 client privileged, or attorney work product as a ground for withholding, set forth with respect to
6 each such document facts of sufficient specificity to permit the Arizona Corporation Commission
7 ("Commission") to make a full determination as to whether the claim of privilege or work product
objection is claimed.

8 D. "Identify" as used herein with respect to a document shall be ready to require a
9 statement of all of the following information relative to such document: (1) title; (2) nature and
10 subject matter; (3) date; (4) author; (5) addressee; (6) file number or other identifying mark or
11 code; (7) location by room, building, address, city and state; (8) identification of custodian; and if
so, the type of privilege claimed and a statement of all the circumstances which will be relied
upon to support such claim of privilege.

12 E. The term Complainants shall mean all persons named collectively in the above-
13 captioned matter who are requesting service from Qwest Corporation.

14 F. The term "Complainants' area" or "Section 11" shall mean Township 15 North,
15 Range 1 West, Section 11, the area at issue in this matter, unless otherwise specified.

16 G. The term "you" and "your" shall mean Ernest and/or Sherry Thompson either
collectively or individually whichever applies to the form of the question.

17 H. The term "your property" shall mean the property you currently own in Township
18 15 North, Range 1 West, Section 11, the area at issue in this matter, unless otherwise specified.

19 I. **Since the factual circumstances differ in each case, the answers to these data**
20 **requests are to be done individually by each Complainant(s) having filed a Complaint**
against Qwest not collectively in one consolidated answer.

21 J. With each response to a data request set forth herein, state the name, employer and
22 job title of each person who has assisted in responding to the data request and that person's
position in or relationship to the Thompsons.

23 K. These data requests shall be deemed continuing. The Thompsons are obliged to
24 change, supplement, and correct all answers to these data requests to conform to available
25 information, including such information as first becomes available to the Thompsons after the
26 answers and documents are filed and/or provided.

1 L. In answering these data requests, you are requested to furnish all information that
2 is available to you or may reasonably be ascertained by you, not just information that is known to
3 you by personal knowledge, including, but not limited to, information in the possession of any of
your agents, attorneys or other persons authorized to act upon your behalf.

4 DATA REQUESTS

5 1.1 Provide support or identify the source of information for your statement on page 2
6 of your complaint that "if [Qwest] gave any phone lines they had to open up a whole section."

7 1.2 Admit or deny that Ernest Thompson was formerly employed by Qwest and/or U S
8 WEST (or any other name, i.e. Mountain Bell).

9 1.3 If your answer to 1.2 is anything other than a clear denial, provide the following
10 information:

- 11 a. The number of years you were employed at Qwest/U S WEST,
- 12 b. The time frame for which you were employed at Qwest/U S WEST,
13 including the date that you retired or otherwise discontinued your
14 employment at Qwest/ U S WEST,
- 15 c. Your job title(s) while employed by Qwest/ U S WEST,
- 16 d. A detailed description of your job function(s) as an employee of
17 Qwest/U S WEST, including all the geographical areas where you
18 worked when employed by Qwest/U S WEST and the timeframe
19 for which you worked in those geographical areas,
- 20 e. Whether, as a Qwest/U S WEST employee, you were familiar with
21 Qwest's/U S WEST's service territory boundaries, and, if so, what
22 was your understanding about its obligation to provide
23 telecommunication services outside of its service territory;
- 24 f. Whether, as a Qwest/U S WEST employee, you were educated
25 and/or trained about issues relating to its service territory and
26 explain the content of that training or education,

- 1 g. Whether, as a Qwest/U S WEST employee, you ever installed
2 telephone service to an individual location that was intended to
3 provide telephone service at a different location, and
4 h. Whether, as an employee of Qwest/U S WEST, you knowingly or
5 otherwise installed or connected service to a property or properties
6 outside of Qwest's/U S WEST's service territory.

7 1.4 Provide a detailed explanation of your understanding of what the term "open
8 territory" means as you used the term in your complaint.

9 1.5 Admit or deny that you knew that your property was outside of Qwest's service
10 territory at the time of your purchase. If your answer is a denial, please identify the source of
11 information and provide a copy of any documents stating or otherwise communicating to you that
12 your property was within Qwest's service territory. Please include names and dates of contact for
13 these sources.

14 1.6 At the time you obtained service in connection with the Moxley property, explain
15 whether you trenched the lines to the Moxley home itself or to the Qwest pedestal near the
16 Moxley property.

17 1.7 You state in your complaint that you were told that all utilities were available for
18 your property. Provide a copy of all documents relating to the provision of all utilities, not just
19 telecommunication services, to your property, when you received the information/document and
20 identify the source of the information/document. If this information was provided verbally,
21 identify the name of the person with whom you communicated, the company or entity from which
22 this individual was representing and the dates of the communication(s).

23 1.8 Identify the real estate agent, developer or other individual or entity from which
24 you bought your property and your home and provide copies of all documentation received by
25 you relating to the purchase of your property and your home. Include contact information such as
26 phone numbers and addresses.

1 1.9 Identify the individual(s) at Qwest with whom you spoke regarding the provision
2 of telephone service to your property in Section 11. Include the date service was ordered, the
3 name of the person with whom you spoke or otherwise communication with, the reason(s) Qwest
4 provided for denying service, and any supporting documentation regarding these alleged
5 conversations. If service was not denied, please provide all supporting documentation included
6 but not limited to those documents identified in data requests 1.10, 1.11, 1.12 below, the promised
7 date of installation, and any confirmation or order code provided to you by Qwest when you
8 ordered service and were given a date for installation and a "new phone number" as alleged in
9 your reply to Qwest's answer to the consolidated complaints.

10 1.10 In your complaint, you state that you received a letter from "the Phone Company"
11 in October 1999 "stating there were no lines available in the area so [your] order would be on
12 hold." Provide a copy of this letter. If you no longer have this letter, clarify whether "the Phone
13 Company" to which you refer is Qwest Corporation or another telecommunication provider.

14 1.11 In your complaint, you state that you received a letter from "the Phone Company"
15 in October 1999 telling you "to purchase a cell phone and the Phone Company would reimburse
16 [you] up to \$100 dollars a month for service until [your] service was installed. Provide a copy of
17 this letter. If you no longer have this letter, clarify whether "the Phone Company" to which you
18 refer is Qwest Corporation or another telecommunication provider.

19 1.12 In your complaint, you stated that in December 1999 you received a "third letter
20 stating that we were out of Qwest territory." Provide a copy of that letter.

21 1.13 In your complaint, you stated that in March 2000 "John Dugan called and told us
22 that the company wasn't interested in opening up the area, and he would not give us permission to
23 run our own line." Explain whether the phone call from Mr. Dugan was made in response to a
24 specific inquiry by you, when the inquiry was made, if applicable, and provide all additional
25 details regarding the circumstances of this alleged conversation.

26 1.14 In your complaint, you state that in March 2001 "it was suggested that we ask to

1 have service hooked up at our neighbor's house (Ted Moxley 103-01-176T) that is in territory
2 and get permission to bring it to our home. The Denton Family Lot 103-01-172J and ourselves
3 called in and talked to Jason and was told that this would be permissible because service would be
4 billed for an address that was in territory." Explain: (a) Who suggested you "ask to have service
5 hooked up" at Mr. Moxley's house; (b) Who "Jason" is, his last name, the office in which he
6 worked, the location of the office in which he worked and his title; (c) Whether you and the
7 Denton Family allegedly spoke to "Jason" together at the same time or separately; (d) Why after
8 Mr. Dougan, who you identified as an engineer for Qwest, told you that you "could not run [your]
9 own line" in March 2000 you proceeded to run your own line after talking to "Jason;" and (e)
10 Whether you conferred with any other engineer or supervisor identified in your complaint, about
11 whether running your own line in was now permissible.

12 1.16 In your complaint you state that "phone service was given to the Dunn Family Lot
13 103-01-195G" in March 1999. In your reply to Qwest's answer, Joseph Dunn attached what he
14 entitled "Statement of Fact" which states that in March 1999 he requested service for his home
15 but that it was denied because the home was outside of Qwest's service territory. Clarify whether
16 the Dunn's received service in March 1999 or were denied service in March 1999, the physical
17 address (not Lot number) of the home referred to by Joseph Dunn and provide any and all
18 documentation to support your assertion.

19 1.17 In your complaint you state that in July 2001 "service was rejected for the
20 Hernandez Family Lot 103-01-172G," which Qwest believes is 7095 E. Esteem Way. Explain in
21 detail how many times either before or after July 2001 the Hernandez family contacted Qwest to
22 request service, the dates, the name of the person at Qwest to whom they communicated, and
23 Qwest's response. Provide copies of all documents sent to or received from Qwest relating to
24 these requests.

25 1.18 Identify the Qwest employee who "hooked up the interface" in May 2002 to Lot
26 103-01-176N, which Qwest believes is 7070 E. Moonlit Drive, as alleged in your complaint, the

1 owner of the Lot, and the "building" to which you allege Qwest "hooked up service."

2 1.19 Provide copies of all purchase agreements and/or contracts entered into by you for
3 the property and house located in Section 11.

4 1.20 Identify the date you recorded the deed to your property in Section 11 and where it
5 was recorded.

6 1.21 Provide copies of any and all reports and/or correspondence provided to you by
7 Yavapai County and any other governmental agency or body in conjunction with the purchase of
8 your home and/or property in Section 11, including but not limited to telecommunication services.
9 If the report(s) are no longer in your possession, please identify the contents of the report(s) and any
10 information that will assist Qwest in locating such report(s).

11 1.22 Identify the type of home referred to in your reply to Qwest's Answer to the
12 consolidated complaints and when construction/building began and when construction/building
13 was completed.

14 1.23 Identify and produce any and all documents necessary to close the transaction on
15 your property including, but not limited to, all notices, communications, deeds and affidavits of
16 value issued by the escrow company/agent, title company, seller and/or broker/agent.

17 1.25 Identify and produce any title report issued in conjunction with the sale of the
18 property.

19 1.26 Provide a list of any and all telecommunication carriers with whom you spoke
20 and/or requested service to your property including but not limited to the date of and the carrier's
21 response to your request for telecommunication services.

22 1.27 Explain in detail and with particularity whether you believe that the Commission
23 has the authority to require Qwest to provide telecommunication services outside of its
24 certificated service area. If so, please identify the statute, rule, tariff provision or other authority
25 that forms the basis of your opinion.

26 1.28 Explain in detail and with particularity whether you believe that other

1 telecommunication carriers in the state of Arizona should be similarly required to provide you
2 telecommunication services in Section 11. If the answer is no, please explain in detail and with
3 particularity the basis of your opinion.

4 1.29 Identify and list any and all witnesses that you intend to call at the hearing on this
5 matter and any and all exhibits you intend to use at the hearing whether or not they will actually
6 be used at the hearing.

7 1.30 Identify any and all persons with relevant knowledge of the facts in this matter
8 whether or not you intend to use them as witnesses at the hearing not already identified in your
9 Complaint.

10 DATED this 26th day of September 2002

11 FENNEMORE CRAIG, P.C.

12
13 By 
14 Timothy Berg
15 Theresa Dwyer
16 Darcy Renfro
17 3003 North Central, Suite 2600
18 Phoenix, Arizona 85012
19 Attorneys for Qwest Corporation

20 A copy of the foregoing
21 was ~~delivered~~ mailed this 26th day of
22 September, 2002, to:

23 Ernest and Sherry Thompson
24 P.O. Box 27016
25 Prescott Valley, AZ 86312

26 By: 

Docket No. T-01051B-02-0535

Sherry Thompson hereby submits its second request to respondents Qwest Corporation to supply the information requested in the response to the Qwest answer to the complaint. They have chose to give me 10 calendar days to respond to their 30 questions. And have not responded at all with any of the information requested in a timely manner. I'm now requesting that they furnish all the information requested in our response and the additional information requested in the data request within 10 calendar days.

1. Qwest Service Quality Tariff and Cellular Subsidies.
2. A.R.S. 40-246 & A.R.S. 40-246(A)
3. Title 40 of the Arizona Revised Statutes and Qwest Tariffs.
4. Bruce Walker V. US West Communications, Inc.,
Docket No. E-1051B-96-543 Decision No. 60175
5. Don B. Miller and Moira L. Miller V. US West Communications, Inc.,
Docket No. E-1051B-97-130
6. Bryan & Pam Dellinger v. Qwest Corporation,
Docket No. T-01051B-01-0354, Decisions No. 64828
7. A.R.S 40-492
8. A.A.C. R14-2-509(B)
9. Updated Maps of Exchange Boundaries with the homes in question added.
10. Signature card signed by the Denton family.
11. Any witness to this matter or exhibits you intend to use at the hearing whether or not they will actually be used at the hearing.
12. Service orders and any information pertaining to the service for The Skipper Family, Dunn Family, Lehman Family Chavez Family and the Hernandez Family

- 1.1 The statement was made on two different occasions
- A. By John Dugan (Engineer for Qwest in Prescott) Phone #928-776-2509.
 - B. By Debra (Qwest Executive office in Denver) Phone #1-877-440-8959
- 1.2 As to the subject of Ernest Thompson being employed by Qwest this was brought to attention in our original complaint items 9,10 & 15 to help explain the time table of events, and really has no significance in this case. Which is that Qwest has crossed the boundary lines and should be made to service everyone in this section.
- 1.3 Again this was brought to attention in my complaint.
- A. 29 ½ years.
 - B. August 16 1971 through February 16 2001.
 - C. Network technician.
 - D. Your client (Qwest) has Ernie's employee record and should be able to provide this information to you with more accuracy.
 - E. Not familiar with Qwests many boundary areas.
 - F. NO - This to should be in Ernie's employee record.
 - G. YES - Many occasions in my career I've had to lay temporary lines to homes to get them service.
 - H. NO
- 1.4 Open territory, In this matter means the area in which I live and that Qwest says it has no obligation to provide service.
- 1.5 DENY - This to was stated in my response.
- A. My Realtor - Arthur J. Richardson III Last known # 602-992-7555 - 1997
 - B. Information Packet (page already sent) for Poquito Valley Area also in 1997
 - C. Qwest service office #1-800-244-1111 Person unknown. Date of call was in Nov. or Dec. of 1997
- 1.6 The Moxley home and again this has no significance to the issue before the Arizona Corporation Commission.
- 1.7 Qwest has already received this. We received the packet of information at the time of viewing/purchase, which was in November/December of 1997. Person or Persons that gave verbal affirmation are the same as in my answer for 1.5. Sent again with this response.
- 1.8 Realtor - Arthur J. Richardson III, No address on card, Last known #602-992-7555
Home builder-Busbee's Mobil Home Sales, 6202 NW Grand Ave., Glendale AZ - 602-934-5254.
Garage builder - Toro Builders - No Number available.
- 1.9 Service was not denied at time order was placed. I have sent you a copy of the letters that were still in my possession pertaining to the hook up of my service. I apologize for the difference in dates from my complaint to the letters but I didn't find the letters until after and thought we started this in October when in fact it was started in December, as I'm sure you were well aware. I'm not sure but I think in this instance from my notes that the contact person at Qwest business office was Sandra 1-800-244-1111. Sent again with this response.
- 1.10 The first letter I no longer have in my possession but was received by us in Dec/Jan of 1999/2000.
- 1.11 The second letter was already sent with my response and was received by us in January of 2000. Sent again with this response.
- 1.12 The third letter was already sent with my response and was received by us in January of 2000. Sent again with this response.

- 1.13 John Dugan called in response to our message to him about being denied service and trying to get permission to run a line from our home to the service area. After talking to neighbors we found out that Qwest had allowed others on our street to do exactly that. Mr. Dugan then told us that after he made some inquiries that if Qwest let service into the area they would have to open up the whole area and that at the time they were not interested in extending. We then contacted the Qwest executive offices and spoke to Debra 1-800-440-8959 and filed an executive complaint and were told they were not interested in extending. We then contacted the Arizona Corporation commission at 1-800-222-7000 name of person we spoke to is unknown.
- 1.14 Mr. Moxley had contacted Qwest and asked if he could give his extra lines to the Denton Family and ourselves because he no longer had a need for them and he knew Tracy Denton was going to lose her job if she could not get access to phone service. All we know is that the person we talked to was Jason we have no last name for him and he was contacted at the business office for Qwest. Tracy and I talked to Jason at the same time. This was not the same circumstance as the request that was made to Mr. Dugan in March of 2000. The particulars were conveyed to Jason and he gave us the go ahead. We saw no need to go any further. March of 2000 when we had spoken to the John Dugan and John Smith we were trying to run service 1 ½ -2 miles down the road easements and were told we would need an engineer's approval.
- 1.15 There was no request #1.15.
- 1.16 All I know is what he wrote in his statement of Fact, which is that he had service in his home and Qwest, not any other phone company gave it to him. The Dunn family did receive service on or around that time and as for the rest of the information you are asking me to provide about the Dunn family I would think that Qwest should be able to provide more accurate information on this matter. This goes for the Skipper Family, the Lehman Family and the Chavez family who now owns the Dunn family home and received service from Qwest in April of 2002.
- 1.17 Again the Hernandez family information about how they obtained service who they spoke to and when to receive service out of the exchange boundaries are not at my disposal and should be obtained from Qwest. All I have is their statement as to the fact that they do have Qwest phone service and that they are out of the exchange boundaries. And my own testament of what I personally saw take place and the people I talked to.
- 1.18 This also should be in Qwest's possession. His name is Harry Grissom who works out of the Prescott Valley office and he did not hook up service in May of 2002 he hooked it up on February 14 2002 to the post provided by the Hernendaz Family. This was only referred to in number 32 of my complaint, which occurred in May of 2002. The address is 7070 E Moonlit Drive and in our complaint we stated that the Hernendaz family bought the property because the engineer (Ted Drake) told them if they bought the property (lot 103-01-176N) they would be able to hook service up to there home on lot 103-01-172G. And the alleged building you are referring to is a mystery to me also. When talking to John Dugan (Engineer), Dan McFarland (Supervisor) and Roberto Domingo's (Qwest executive office) all of these people told me that Qwest DID NOT hook service up to a post but had in fact hooked the service up to a structure on lot 103-01-176N. Pictures sent to you show that there is not now or was there ever a structure on lot 103-01-176N, 7070 E. Moonlit Drive. The statement from the Hernandez family also proves that the service was hooked up at the property line and brought out of territory to there home with the instructions and permission from Qwest.
- 1.19 Enclosed,
- 1.20 Dec. 10 1997 - Yavapia Coconino Title Agency Co.
- 1.21 Enclosed.

- 1.22 The Thompson Family (mfg. Home & site built garage 5/99- 9/99, The Denton Family (Site built home & garage), The Fatheree Family (mfg. Home and site built garage), The Limburg Family (mfg. Home), The White Family (Site built home & garage). There was also a woman named Pat who contacted me after finding out about the formal complaint. She has just finished building her home on Ranch Hand road, which is about 1 ½ north of our home. Pat was told service was available when she bought her property but that she would have to pay to bring in the service. Pat then finished building her home? /2002 and Qwest took her order for service then denied service at a later date.
- 1.23 Enclosed.
- 1.24 There was no request #1.24
- 1.25 Enclosed.
- 1.26 Qwest on many different occasions because they are the only telecommunication company in this area. On or about Feb./March of 2002 Ann Fry of Qwest informed me that there was a company by the name of Midvale Communications out of Idaho who might be interested in bringing service to our area. Midvale has brought in service to a few summer trailer parks in the vicinity of Prescott Valley area. I then got all my neighbors to call Dennis Farrington of Midvale Communications to express interest and they were all told that Midvale was not interested in the area. Also I received information from the Economic Development Foundation that a Qwest representative gave them information on a company called Valositele. They were told Qwest was going to sign a contract with this company and give satellite service in the out of exchange boundaries areas. But nothing ever came of this because no one I spoke to at Qwest had heard of them and I could not find any information on this company. I have just recently been told about a gentleman who can hook up satellite equipment to our home at the cost of 2,500 dollars and have someone inside Qwest territory with the receiver but he could not get permission in writing from Qwest to do this so I declined to spend that kind of money without written permission from Qwest.
- 1.27 YES I believe that the Corporation Commission has the authority to require Qwest to provide service outside of their certificated service area. The reason being that Qwest has already opened up the area by servicing 5 families. One time can be considered a mistake, Two times can even be forgiven' but five I consider deliberate.
- 1.28 NO, because Qwest has the Monopoly in the area and no other Telecommunication Company is servicing the area. And for that matter there is no other telecommunication company that has crossed the boundaries into the area in which I live like Qwest has done.
- 1.29 At this time I do not have a list of witnesses or exhibits to be used in the hearing. But I will be a witness in my own defense

1.30 KNOWLEDABLE PARTIES: Ernie Thompson, Sherry Thompson, Troy Denton, Tracy Denton, April Peters, Bryant Peters, John Martin, Patricia Martin, Arnold Fatheree, Tammy Fatheree, Tom White, Shelia White, Sandra Rodr, Kirk Limburg, Bobbi Limburg, Ted Moxley, Sandra Berstein, Troy Skipper, Frank Lehman, Barbara Lehman, Cassandra Hernendaz, Ray Hernendaz, Lou Chevez, Paul Dunn, Steve Pomaroy, Dennis Farrington, Midvale Communications, Lane Williams Gary Spartes, June Spates, Arthur Richardson III. , Yavapia Coconino Title Agency and Fennemore Craig Law Offices.

QWEST EMPLOYEES: John Dugan, John Smith, Ted Drake, Ann Fry, Roberto Domingus, Lee Glen, Dan McFarland, Harry Grissom, Sandra, Stacy, Jason, Debra, Connie, Valarie Finn, Teresa Bristol, Steve Nichols, Bruce Ledbetter and George Favela.

ARIZONA CORPORATION COMMISSION: William A. Mundell, Jim Irvin, Marc Spitzer, Connie Walczak, John LaPorta, Matt Rowell , Christopher Kempley, Philip J. Dion III, David M. Ronald, Ernest Johnson, David M. Ronald, Engineering Dept. and Docket Control.

Anyone left out was not done to suppress information but could not be brought to mind at this time.

**LIST OF ENCLOSED DOCUMENTS REQUESTED IN YOUR DATA
RESPONSE.**

1. Second copy of information packet received from Realtor in 1997.
2. Realtor's name & phone number.
3. Copy of grant for easement for pipeline purpose, book 74 page 314-318 recorded for the title search.
4. Copy of the CC&R's that incidentally was written or recorded by Fennemore Craig.
5. Second copy of second letter received from Qwest.
6. Second copy of third letter received from Qwest.
7. Second copies of statements from families with service outside of the exchange boundaries.
8. Copy of all paper work I have pertaining to the purchase of my property.
9. Title report for the purchase of my property.
10. Documents for the purchase of my home.

EXHIBIT

R-4

Admitted

772-9513

THOMPSON

ESTEEM WAY

POQUITO

NOTE:
THESE 3
SERVICES
ARE GRAND-
FATHERED

NOTE: PATH OF
FOREIGN DROPS
UNKNOWN

DENTON

759-9497

VALLEY

OPEN AREA
CO. BOUNDRY

775-6263
MOXLEY

9990

2 DROP WIRE

DROP WIRE

R.D.

TO C.O.



Compliments

1 Bernatien
103-01-207 G

2 Norton
103-01-1725

3 Joffe
103-01-225A

4 Limbury
103-01-172W

5 Martie
103-01-207C

6 Petera

103-01-1926-J-K

7 Rods

103-01-2334

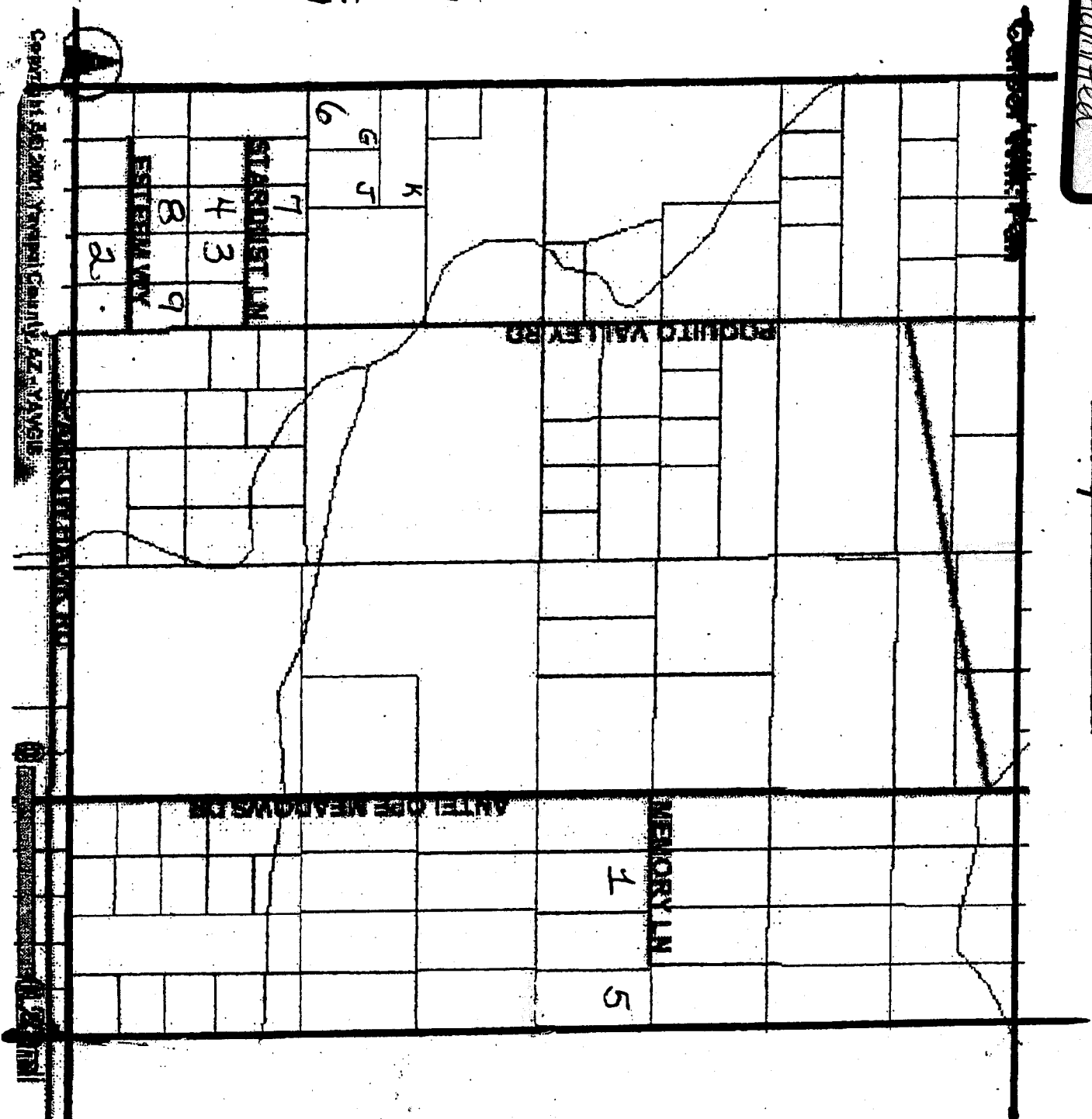
8 Thompson
103-01-1725

White

103-01-1727

MR/10-24-02

SII-TISN-ROIW





VACANT LAND/LOT SELLER'S PROPERTY DISCLOSURE STATEMENT (SPDS) (TO BE COMPLETED BY SELLER)



THE PRINTED PORTION OF THIS FORM HAS BEEN APPROVED BY THE ARIZONA ASSOCIATION OF REALTORS®. THIS IS NOT INTENDED TO BE A BINDING CONTRACT.

MESSAGE TO THE SELLER:

Sellers are obligated by law to disclose all known material facts about the property to the Buyer. The SPDS is designed to assist you in making this disclosure. If you know something important about the property that is not addressed on the SPDS, add that information to the form. Prospective Buyers may rely on the information you provide in deciding whether and on what terms to buy the property. If you don't know the answer to a question, mark "unknown."

MESSAGE TO THE BUYER:

The information contained in the SPDS is a disclosure of the Seller's actual knowledge of the property and not a representation of every possible defect nor a warranty of any kind. You should confirm any information you consider material to your purchase and consider obtaining professional inspections, which may reveal information about the property that even the Seller did not know.

THE FOLLOWING ARE REPRESENTATIONS OF THE SELLER(S) AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS INFORMATION IS A DISCLOSURE AND IS NOT INTENDED TO BE PART OF ANY CONTRACT BETWEEN THE BUYER AND SELLER.

I. GENERAL PROPERTY INFORMATION

1. THIS DISCLOSURE CONCERNS THE FOLLOWING REAL PROPERTY: 7240 E. Esteem way
 2. _____ COUNTY: Yavapai
 3. TAX PARCEL NUMBER: 103-01-172T ZONING: RCU 2A
 4. LEGAL OWNER OF PROPERTY: Phone check DATE PURCHASED: _____
- | | YES | NO | UNKN | |
|-----|-------------------------------------|-------------------------------------|-------------------------------------|--|
| 5. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Is the property within a subdivision approved by the Arizona Department of Real Estate? |
| 6. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | If yes, do you possess a copy of an Arizona Subdivision Public Report? |
| 7. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Is there a homeowner's/property owner's association governing this property? |
| 8. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Are there association dues? If yes, how much? _____ |
| 9. | | | | Paid: <input type="checkbox"/> monthly <input type="checkbox"/> quarterly <input type="checkbox"/> semi-annually <input type="checkbox"/> annually |
| 10. | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Is the association professionally managed? If yes, by whom? _____ |
| 11. | | | | Name of President of Board of Directors _____ |
| 12. | | | | Address _____ Telephone _____ |
| 13. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Is the property subject to Covenants, Conditions and Restrictions or any other deed restrictions? |
| 14. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Are there any pending or anticipated legal disputes regarding the property? Explain _____ |
| 15. | | | | _____ |
| 16. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Are there any pending or anticipated eminent domain or condemnation proceedings that could affect the property? |
| 17. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Are there any liens against the property? Explain _____ |
| 18. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Are there any current or proposed assessments, such as paving, sewer, water, or electric, regarding this property? Explain _____ |
| 19. | | | | _____ |
| 20. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Are there any development, impact, or similar fees regarding the property? Explain _____ |
| 21. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Have you agreed to convey any right, title, or interest in the property, e.g., right of first refusal, option? Explain _____ |
| 22. | | | | _____ |
| 23. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Are there any zoning problems/violations/variances or conditional use permits affecting this property? Explain _____ |
| 24. | | | | _____ |
| 25. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Are there conditions that make the property subject to any hillside, erosion control, or native species ordinances? |
| 26. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Is a survey, certified by a registered land surveyor, available? |
| 27. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Are there any lot line disputes, encroachments, or adverse possession issues concerning this property? Explain _____ |
| 28. | | | | _____ |
| 29. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Are there any public or private use paths or roadways, formal or informal, on this property? Explain _____ |
| 30. | | | | _____ |
| 31. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Is there legal (recorded) access to the property? |
| 32. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | If yes, has the legal access been surveyed and certified by a registered land surveyor? |
| 33. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Is there physical access to the property? |
| 34. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Are the physical access and the legal (recorded) access the same? |
| 35. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Is this property bordering on a private road? |
| 36. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | If yes, is there a road maintenance agreement? |
| 37. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Are there fences or walls on the property? If yes, are they <input type="checkbox"/> solely owned or <input type="checkbox"/> jointly owned? Explain _____ |
| 38. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Does the property include any leased land? <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Privately owned How many acres _____ |

EXHIBIT

R-6
Admitted

39. ☐ ☒ ☐ Is the property rented to a tenant? If rented, what is the expiration date of the rental agreement? _____
40. ☐ ☒ ☐ If rented, are security deposits or prepaid rents being held? By whom and how much? _____
41. _____

II. USE

YES NO UNKN

42. _____ What is the current use of the property? NONE
43. _____ What prior uses of the property are you aware of? NONE
44. ☒ ☐ ☐ Does the current use conform with current zoning?
45. ☐ ☒ ☐ Are there any improvements on the property?
46. _____ Explain _____
47. ☐ ☒ ☐ Are there crops being grown on the property? If yes, is the property ☐ owner operated? ☐ tenant operated?
48. ☐ ☒ ☐ Do you currently have livestock on the property? If yes, is the property ☐ owner operated? ☐ tenant operated?

III. WATER

YES NO UNKN

49. ☐ ☐ ☒ Is there a domestic water source to the property? 7240 E. Esteem Way
50. _____ If yes, is the water source ☐ public ☐ private; water company name Yuma
51. ☐ ☐ ☒ Is the property in a CAP District? 7240 E. Esteem Way
52. ☐ ☐ ☒ Is the property in any other irrigation district? ACU 2A
53. ☐ ☒ ☐ Is there a well or wells on the property? If so, is the well ☐ owned; ☐ shared
54. _____ How many parcels share the well? _____ What is your share? _____
55. ☐ ☒ ☐ Is there a well agreement?
56. ☐ ☒ ☐ Is the well agreement recorded?
57. ☐ ☒ ☐ Is the well a Co-op? If yes, administered by _____
58. _____ Well location(s) _____
59. _____ Department of Water Resources registration # _____
60. ☐ ☒ ☐ Is the well an exempt well?
61. _____ Well yield (GPM) _____ Pump capacity (GPM) _____
62. ☐ ☒ ☐ Are there any problems with the well? Explain _____
63. _____
64. ☐ ☒ ☐ Is the well operating currently? Date last serviced _____
65. ☐ ☒ ☐ If not operating currently, is the well capped?
66. ☐ ☐ ☒ Do you have grandfathered water rights? If yes, ☐ Type I ☐ Type II ☐ Irrigation
67. _____ Grandfathered Water Rights Certificate # _____
68. _____ What is the allotment? _____ acre feet _____
69. _____ Irrigated acres _____
70. ☐ ☐ ☒ Are there surface water rights? If yes, Certificate # _____

IV. ENVIRONMENTAL INFORMATION

YES NO UNKN

71. ☐ ☐ ☒ Are there now or have there ever been any hazards or hazardous materials on the property, such as asbestos, dumps, pesticides, radon, oil, or chemicals? Explain _____
72. _____
73. ☐ ☐ ☒ Are there now or have there ever been any underground fuel storage tanks on the property?
74. _____ Explain _____
75. ☐ ☐ ☒ Are there now or have there ever been any hazards or hazardous materials in close proximity to the property, such as asbestos, dumps, pesticides, radon, oil, chemicals, or underground fuel storage tanks? Explain _____
76. _____
77. _____
78. ☐ ☐ ☒ Is the property within an area currently of environmental concern, e.g., Superfund, WQARF, or CERCLA sites, etc.?
79. _____ Explain _____
80. ☐ ☐ ☒ Have there been any environmental assessments or studies done on the property?
81. _____ If yes, ☐ Phase I ☐ Phase II ☐ Phase III ☐ Other _____
82. ☐ ☐ ☒ Is the property subject to any current or proposed noises, such as airports, freeways, or rail lines?
83. _____ Explain _____
84. ☐ ☐ ☒ Is the property located within the territory in the vicinity of a military airport as defined by Arizona law (A.R.S. § 2-338)?

85. ☐ ☐ ☐ Is the property subject to any area odors, nuisances, or pollutants?
 86. Explain _____
 87. ☐ ☐ ☒ Are there any soil, settlement, or expansion problems?
 88. Explain _____
 89. ☐ ☐ ☒ Is any portion of the property situated on or near a sanitary landfill?
 90. ☐ ☐ ☒ Is any portion of the property in a flood plain/way? Explain _____
 91. ☐ ☐ ☒ Has the property ever been flooded? Explain _____

V. OTHER CONDITIONS AND FACTORS

- | | YES | NO | UNKN | |
|------|-------------------------------------|-------------------------------------|-------------------------------------|---|
| 92. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Are any utility services at the property line? Explain <u>electric</u> |
| 93. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Has there been a percolation test performed on the property? Explain _____ |
| 94. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Are there any archeological features or artifacts on the property? Explain _____ |
| 95. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Has an archeological study been done? |
| 96. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Do the mineral rights transfer with the title? |
| 97. | | | | If no, who owns the mineral rights? _____ |
| 98. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Are there any mine shafts, tunnels or abandoned wells on the property? <u>yes</u> |
| 99. | | | | If so, where _____ |
| 100. | | | | |
| 101. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Is the property located within or impacted by any federal, state or other natural conservation area, e.g., wetlands, endangered species, etc.? Explain <u>yes</u> |
| 102. | | | | |
| 103. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Is there any other information concerning the property which might affect the decision of a buyer to buy, or affect the value of the property, or affect the property's use by a buyer? Explain _____ |
| 104. | | | | |
| 105. | | | | |
| 106. | | | | |
| 107. | | | | Additional Explanations |
| 108. | | | | |
| 109. | | | | |
| 110. | | | | |
| 111. | | | | |
| 112. | | | | |
| 113. | | | | |
| 114. | | | | |
| 115. | | | | |
| 116. | | | | |
| 117. | | | | |
| 118. | | | | |

119. ☐ Additional explanation is attached on a separate page.

120. **SELLER CERTIFICATION** Seller certifies that the information contained herein is true and complete to the best of Seller's knowledge as of the date signed. Seller agrees that any changes in the information contained herein will be disclosed by Seller to Buyer prior to close of escrow.

122. *Jeffrey L. Leashy* 6-21-00
 SELLER MO/DA/YR

123. _____
 SELLER MO/DA/YR

124. **BUYER'S ACKNOWLEDGEMENT OF RECEIPT** Buyer acknowledges that the information contained herein is based only on the Seller's knowledge and is not a warranty of any kind. Buyer acknowledges Buyer's obligation to investigate all material facts regarding the property to Buyer's satisfaction. Buyer is encouraged to obtain property inspections by an independent third party. By signing below, Buyer hereby acknowledges receipt of a copy of this Disclosure. Buyer's signature does not constitute approval of this Disclosure.

128. *Tommy Lee White* 6/22/2000
 BUYER MO/DA/YR

129. *Shirley G. White* 6-22-2000
 BUYER MO/DA/YR

BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKETED

WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER

SEP 05 2001

DOCKETED BY

sd

IN THE MATTER OF THE APPLICATION OF
MIDVALE TELEPHONE EXCHANGE, INC. FOR
AUTHORITY TO INCREASE RATES AND FOR
DISBURSEMENT FROM THE ARIZONA
UNIVERSAL SERVICE FUND

DOCKET NO. T-02532A-00-0512

DECISION NO. 64011

OPINION AND ORDER

DATE OF HEARING:

May 21, 2001

PLACE OF HEARING:

Phoenix, Arizona

PRESIDING JUDGE:

Mr. Stephen Gibelli and Mr. Dwight Nodes¹

APPEARANCES:

Mr. Conley Ward, GIVENS PURSLEY, L.L.P. and Ms.
Tamara Herrera, RYLEY, CARLOCK &
APPLEWHITE, on behalf of Midvale Telephone
Exchange, Inc.;

Mr. Todd C. Wiley, GALLAGHER & KENNEDY, on
behalf of Citizens Communications Companies;

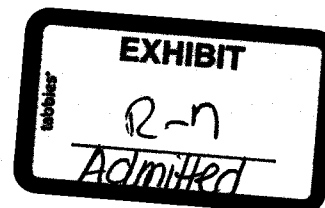
Ms. Theresa Dwyer, FENNEMORE CRAIG, on behalf
of Qwest Corporation; and

Ms. Maureen A. Scott, Staff Attorney, Legal Division.
on behalf of the Utilities Division of the Arizona
Corporation Commission.

BY THE COMMISSION:

On July 17, 2000, Midvale Telephone Exchange, Inc. ("Company" or "Midvale") filed with the Arizona Corporation Commission ("Commission") an application for authority to increase rates and for disbursement from the Arizona Universal Service Fund ("AUSF"). On August 2, 2000 Qwest Corporation ("Qwest") filed a Motion to Intervene. On August 11, 2000, the Commission's Utilities Division Staff ("Staff") filed a letter indicating the Company's rate application was sufficient and classifying the Company as a Class A utility. On August 15, 2000, by Procedural Order, Qwest was granted intervention. On August 28, 2000, a Procedural Order was issued setting the matter for

¹ Mr. Stephen Gibelli presided over the pre-hearing conference and Mr. Dwight Nodes presided over the hearing. This Opinion and Order was prepared by Mr. Stephen Gibelli.



1 hearing on April 19, 2001. On January 24, 2001, Citizens Communications Companies ("Citizens")
2 filed Motion to Intervene. On January 25, 2001, Staff and Midvale filed a Motion to Extend the
3 Procedural Schedule due to Discovery Issues. By Procedural Order issued on February 1, 2001, the
4 hearing was continued until May 21, 2001. On May 8, 2001, Citizens was granted intervention by
5 Procedural Order.

6 The matter came before a duly authorized Administrative Law Judge of the Commission at
7 the Commission's offices in Phoenix, Arizona on May 21, 2001. Midvale, Qwest, Citizens, and Staff
8 appeared through counsel. At the conclusion of the hearing, the matter was adjourned pending
9 submission of simultaneous initial and reply briefs on July 2, and July 13, 2001, respectively.

10 DISCUSSION

11 I. NATURE OF CASE

12 Midvale is an Idaho corporation authorized to do business in Arizona since 1989. Midvale
13 provides service to approximately 2,000 subscribers in ten rural exchanges in Idaho, Oregon, and
14 Arizona.

15 In its application, Midvale is seeking an increase in rates for its current customers. Midvale's
16 existing rates were established in Decision No. 58736 (September 1, 1994). Midvale's application is
17 based on a test year ("TY") ending December 31, 1999.

18 Midvale seeks an extension of its Certificate of Convenience and Necessity ("Certificate") to
19 provide service to the Millsite and Silver Bell exchanges. Midvale also proposes that it receive
20 AUSF funds and be allowed to offer extended area service ("EAS") from Midvale's Cascade
21 exchange to Qwest's Benson and San Miguel exchanges.

22 II. EXTENSION OF CC&N

23 As part of its application, Midvale is proposing to establish service in two separate areas that
24 currently lack any wireline service. The Millsite exchange will include four contiguous subdivisions
25 located about 15 miles south of Prescott, plus the Henderson Valley Ranch subdivision located north
26 of the Millsite area, about 15 miles east of Prescott. The Silver Bell exchange will serve an area
27 about 50 miles southwest of Phoenix including the Silver Bell, Sawtooth, and Rio Verde
28 subdivisions. Over the next three years, Midvale expects the Millsite exchange to serve about 20

1 customers and the Silver Bell exchange to serve about 185 customers.

2 Staff is in support of the extension of Midvale's Certificate into the Millsite and Silver Bell
3 exchanges.

4 Many customers in the proposed extension areas filed letters or provided public comment in
5 support of Midvale's proposal to serve the Millsite and Silver Bell exchanges. Currently no
6 telecommunications company is serving the areas. No telecommunications company has shown as
7 much interest in serving the areas as much as Midvale has. The residents in the area have been
8 without local telephone service and Midvale is a suitable entity to serve the area. Midvale's proposal
9 to extend its Certificate to serve the Millsite and Silver Bell exchanges is reasonable and in the public
10 interest and should be approved.

11 III. EXTENDED AREA SERVICE

12 As part of its application, Midvale requests authorization to offer EAS between the Cascabel
13 exchange and the towns of Benson and San Manuel. EAS is a service offered in a geographic area
14 beyond the local service area to which traffic is classified as local for selected customers. It allows
15 subscribers in one exchange to call subscribers in another exchange without a toll charge.

16 Although the Commission has no rule or regulation on the issue of when EAS is appropriate,
17 in Decision No. 58927 (January 3, 1995), the Commission discussed a process to determine if there is
18 a "community of interest" in EAS. In that case, Staff recommended that the Commission "consider
19 calling volumes, socio-economic linkages, contiguity and public input as factors in determining
20 whether a community of interest exists." (Id.) Staff also suggested in that docket that a community
21 of interest may be present if at least 10 percent of the customers in the exchange or 200 customers,
22 whichever is less, have submitted a petition to the Commission. The purpose behind those
23 recommendations was to determine whether or not consumers want the service. Once that was
24 determined, then cost and rate design issues were considered.

25 In this case, Midvale has not submitted a petition on behalf of residents in the Cascabel
26 exchange indicating an interest in EAS. In support of its application, Midvale states that the towns of
27 Benson and San Manuel have a "strong community of interest" with Cascabel and that its studies
28

1 show that there is sufficient voice traffic to support extending the local calling area.² However,
 2 Qwest's studies demonstrate that fewer than two percent of its customers in the Benson and San
 3 Manuel exchanges called Cascabel in the months studied. (Rook Direct pg. 7). In addition, only 20
 4 percent of Midvale's customers make a majority of the calls from Cascabel to Benson and San
 5 Manuel. (Buckalew Direct pg. 19).³

6 Staff recommends that Midvale's request to offer EAS should be denied. Staff points out that
 7 Midvale has not provided any socio-economic studies that would demonstrate that there is a
 8 "community of interest" between the exchanges for which EAS is proposed. In addition, Staff also
 9 notes that all consumers in Arizona would be paying for the service. Staff believes that to ask all
 10 Arizona consumers to finance these two EAS routes when only 20% of Midvale's customers make
 11 the majority of calls, is unreasonable.

12 As part of its application, Midvale is seeking AUSF funding, in the amount of \$40 a month
 13 per customer, to fund its EAS proposal. This AUSF funding is paid for by all Arizona consumers
 14 who would, in essence, be subsidizing the EAS service. Staff believes that when considering the
 15 small percentage of customers who would benefit by EAS, it is not justifiable for all Arizona
 16 customers to subsidize the service when it is not necessary and there are reasonable alternatives such
 17 as less expensive toll plans.⁴

18 Citizens and Qwest both contended that Midvale's EAS proposal does not fully consider the
 19 potential for EAS fraud or bridging. EAS bridging is a form of illegal arbitrage whereby a company
 20 uses a combination of a line, call forwarding services, and possibly its own equipment to complete
 21 calls between two or more overlapping EAS areas in order to avoid paying toll or access charges.
 22 Midvale's proposal would result in local calling between San Manuel and Cascabel and Cascabel and
 23 Benson since the local calling areas of Benson and San Manuel will overlap into Cascabel. An EAS
 24 bridger could subscribe to local flat rated access lines in Cascabel and use call forwarding services to

25 ² Midvale stated that Cascabel customers make 8.5 calls per line per month to Benson and 2.5 calls per line per month to
 26 San Manuel (Reading Direct pg. 22, see Exhibit 6, schedule 1)

27 ³ Qwest has concluded that less than 2% of its customers in San Manuel and Benson called Cascabel. (Rook Direct pg.
 7).

28 ⁴ Staff has pointed out that Cascabel customers already have less costly alternatives to call Benson and San Manuel.
 Cascabel, Benson, and San Manuel are all in the same LATA, and Qwest offers 10 cents per minute, 24 hours, 7 days a
 week for residential customers. (Buckalew Direct pg. 20).

1 forward calls between Benson and San Manuel, allowing customers in those exchanges to avoid toll
2 charges.

3 Other states have spent a great amount of effort to shut down illegal EAS bridging and
4 Midvale's EAS proposal invites EAS bridging in Arizona. There was no evidence presented to show
5 that such bridging is currently happening in Arizona. However, illegal bridging is a legitimate
6 concern and will require a great effort to shut down once it has begun in Arizona.

7 Midvale has failed to demonstrate that its EAS proposal is necessary and reasonable at this
8 time. Midvale has failed to provide sufficient evidence demonstrating that there is "strong
9 community of interest" in support of EAS. Weighing this fact, the additional costs to Arizona
10 consumers, and the added threat of EAS bridging against the small number of customers who would
11 benefit, we find that Midvale's proposal is not reasonable or appropriate at this time. However, we
12 agree with Qwest and Citizens that there are no rules in Arizona governing the review of EAS
13 proposals. Other jurisdictions have established such rulemaking dockets for the purpose of
14 developing standards for EAS proposals. We shall therefore open up a rulemaking docket to clarify
15 the Commission's EAS requirements. This rulemaking docket should address, at a minimum, such
16 issues as (1) how "community of interest" should be defined; (2) the significance of call volumes; (3)
17 whether a customer petition should accompany a proposal; (4) how companies can recover the cost of
18 EAS; and (5) how the potential for illegal EAS bridging should be evaluated.

19 IV. RATE BASE

20 In its application, the Company proposed an intrastate original cost rate base ("intrastate
21 OCRB") of \$1,807,096. Staff proposed adjustments which resulted in an intrastate OCRB of
22 \$1,244,841. Staff made five adjustments to the rate base proposed by the Company, prior to
23 separation for intrastate items.

24 A. Plant in Service

25 The Company proposed a Plant in Service balance of \$4,135,313, including both intrastate
26 and interstate plant, compared to Staff's proposed balance of \$3,042,091. Staff's proposed intrastate
27 Plant in Service balance is \$1,945,021.

28 Staff made five adjustments reducing the plant balances proposed by the Company. Staff

1 Silver Bell exchanges, and as such, when Midvale begins to receive F JSF funds for these exchanges,
 2 Midvale's AUSF funding shall be reduced by the appropriate pro rata share. We direct Staff to assist
 3 Midvale in preparing and supporting the Company's FCC waiver request, to the extent Midvale
 4 deems such assistance to be necessary.

5 * * * * *

6 Having considered the entire record herein and being fully advised in the premises, the
 7 Commission finds, concludes, and orders that:

8 **FINDINGS OF FACT**

9 1. Midvale is an Idaho corporation engaged in the business of providing telephone utility
 10 service to the public in Arizona.

11 2. On July 17, 2000, the Commission received from Midvale an application requesting
 12 authority to increase its rates and charges and for disbursement from the Arizona Universal Service
 13 Fund.

14 3. On August 11, 2000, Staff determined that Midvale's application met the sufficiency
 15 requirements of A.A.C. R14-2-103 and that the Company had been classified as a Class A utility.

16 4. In accordance with A.A.C. R14-2-101, a Procedural Order was issued on February 1,
 17 2001 which set the matter for hearing on May 21, 2001.

18 5. In accordance with the Procedural Order, Midvale published notice of its application
 19 in a newspaper of general circulation in its service areas and mailed, by means of a bill insert, a copy
 20 of the notice to each of its customers.

21 6. For ratemaking purposes, the Company's intrastate OCRB and FVRB for the TY
 22 ended December 31, 1999 was \$1,241,841.

23 7. For ratemaking purposes, the Company's adjusted intrastate TY revenues were
 24 \$730,428, its intrastate TY operating expenses were \$616,989, and its existing rates provided
 25 intrastate TY net operating income of \$113,439.

26 8. A fair and reasonable rate of return on the Company's FVRB is 10.37%.

27 9. Operating income of \$129,090 is necessary to yield a 10.37 percent rate of return on
 28 the FVRB.

1 10. The Company must increase operating revenues by \$27,627 to produce net operating
2 income of \$129,090.

3 11. The Company's proposed increase of \$181,991 would produce an excessive return on
4 its FVRB.

12. Midvale is authorized to draw \$71,651 per year from the AUSF beginning with the commencement of service to Millsite and Silver Bell.

13. Based on the move toward rate consolidation between the Company's exchanges, the level of revenues authorized herein, and the revenue distribution methods described herein, the rates set forth in Exhibit A attached hereto and incorporated herein, are appropriate in this case.

10 CONCLUSIONS OF LAW

11 1. Midvale is a public service corporation within the meaning of Article XV of the
12 Arizona Constitution and A.R.S. Sections 40-250 and 40-251.

13 2. Midvale is a telecommunications carrier within the meaning of 47 U.S.C. § 252.

14 3. The Commission has jurisdiction over Midvale and of the subject matter of the
15 Application.

16 4. Midvale is a fit and proper entity to receive an extension of its CC&N.

17 5. Notice of the application was provided in the manner prescribed by the law.

18 6. It is reasonable to allow a waiver of our rules and grant Midvale's request for AUSF.

19 7. The Commission's resolution of the issues pending herein is just and reasonable,
20 meets the requirements of the Commission's rules, is consistent with the best interests of the parties,
21 and is in the public interest.

22 ORDER

23 IT IS THEREFORE ORDERED that Midvale Telephone Exchange, Inc. be, and hereby is,
24 authorized and directed to file, on or before September 30, 2001, revised tariffs setting forth the rates
25 and charges for the provision of telephone service authorized herein and in accordance with the
26 Discussion, Findings of Fact and Conclusions of Law herein.

1 IT IS FURTHER ORDERED that Midvale Telephone Exchange, Inc.'s request for an
2 extension of its Certificate of Convenience and Necessity to serve the Millsite and Silver Bell
3 exchanges shall be granted.

4 IT IS FURTHER ORDERED that the rates and charges contained in said tariffs shall become
5 effective for all service provided on and after October 1, 2001.

6 IT IS FURTHER ORDERED that Midvale Telephone Exchange, Inc. shall notify its
7 customers of the rates and charges authorized hereinabove and the effective date of same by means of
8 an insert in its next regular monthly billing.

9 IT IS FURTHER ORDERED that the AUSF funding shall be net of FUSF funding received
10 for the Millsite and Silver Bell exchanges, and as such, when Midvale Telephone Exchange, Inc.
11 begins to receive FUSF funds for those exchanges, Midvale Telephone Exchange Inc.'s AUSF
12 funding shall be reduced by the appropriate pro rata share.

13 IT IS FURTHER ORDERED that a waiver of the Commission's AUSF rules is hereby
14 granted, and Midvale Telephone Exchange, Inc. is authorized to draw \$71,651 per year from the
15 AUSF beginning with the commencement of service to Millsite and Silver Bell.

16 IT IS FURTHER ORDERED that Midvale Telephone Exchange, Inc. shall notify the Director
17 of the Utilities Division, of the date of commencement of service to Millsite and Silver Bell.

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1 IT IS FURTHER ORDERED that a rulemaking docket shall be opened to address, at a
2 minimum, EAS issues such as (1) how "community of interest" should be defined; (2) the
3 significance of call volumes; (3) whether a customer petition should accompany a proposal; (4) how
4 companies can recover the cost of EAS; and (5) how the potential for illegal EAS bridging should be
5 evaluated.

6 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

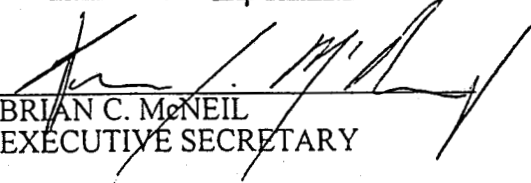
7 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

8
9 
10 CHAIRMAN

11 
12 COMMISSIONER

13 
14 COMMISSIONER

15 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
16 Secretary of the Arizona Corporation Commission, have
17 hereunto set my hand and caused the official seal of the
18 Commission to be affixed at the Capitol, in the City of Phoenix,
19 this 5th day of September, 2001.

20 
21 BRIAN C. McNEIL
22 EXECUTIVE SECRETARY

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1 SERVICE LIST FOR: MIDVALE TELEPHONE EXCHANGE, INC.
2 DOCKET NO.: T-02532A-00-0512
3
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Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

MIDVALE TELEPHONE EXCHANGE
LOCAL RATE AND REVENUE SUMMARY - TOTAL ARIZONA

<u>DESCRIPTION</u>	<u>RATES ADOPTED</u>
<u>Local</u>	
<u>Young</u>	
Residence - R1	\$ 18.65
Business - B1	30.00
Business - pay	21.00
Foreign Exchange	250.00
Vacation - Zone 1 Charge	10.50
<u>Cascabel</u>	
Residence - R1	22.65
Business - B1	30.00
Business - pay	21.00
Vacation	10.50
<u>Non-Recurring Charges</u>	
<u>Young</u>	
Service Order	10.00
Line Connection	25.00
Premise Visit	30.00
<u>Cascabel</u>	
Service Order	10.00
Line Connection	25.00
Premise Visit	30.00
<u>Other Rates & Charges</u>	
Custom Calling Bundle	3.50
<u>Miscellaneous</u>	
<u>Young</u>	
Vacation Rate	10.50
Private Line Extension	7.00
<u>Cascabel</u>	
Vacation Rate	\$ 10.50

OVERSIZED MAP

-Prescott, AZ

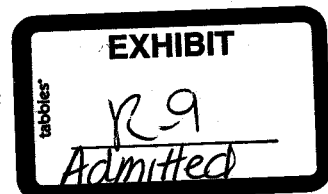
1:100 000-scale metric topographic map

TO REVIEW SEE DOCKET SUPERVISOR

**DOCKET
T-01051B-02-0535**

**DECISION
66509**

Prescott Valley:
Telecommunication Carriers Approved to Provide Service Statewide
Residential Service



COMPANY	R/W ¹	ACTIVE ²
@Links Network	W	N/A
1-800 Reconnex	R	A
Advanced Telecom	W	N/A
Allegiance Telecom	W	A
American Fiber Systems	W	N/A
Arbros Commu	W	N/A
Arizona Dial Tone	W	A
AT&T	W	A
Brooks Fiber Communications	W	A
Buy-Tel	R & W	A
Caprock Telecommunications	R & W	A
CenturyTel Solutions	R	N/A
CI ² Inc.	R	A
Citizen's Long Distance Company	W	N/A
Comm South Companies	R	A
Concert Communications	R & W	N/A
Covad Communications	R & W	A
Cox Arizona Telecom	W	A
DMJ Comm. (Paloma Net)	R	A
DSLNET Communications	W	A
El Paso Networks	R	A
Electric Lightwave	R & W	A
Enkido, Inc.	R & W	N/A
Ernest Communications	R & W	A
Eschelon Telecom of Arizona	R & W	A
EZ Talk Communications	R	A
Global Crossing Local Services	W	A
Global Crossing Telemanagement	W	A
Group Long Distance	W	N/A
HJN Telecom	R	A
Intermedia Communications (Cypress Comm)	W	A
Ionex Communications North	R & W	A
IPVoice Communications	R & W	N/A
KMC Telecom	W	N/A
Level 3 Communications	W	A
Livewire Net	R & W	N/A
Local Gateway Exchange, Inc.	W	A
Looking Glass Networks	R & W	N/A
Max-Tel	W	A
McLeodUSA Telecommunications	R & W	A
Metromedia Fiber Network	W	A
Metropolitan Telecom	R & W	N/A

¹ R = Resale; W = Wireline

² Active carriers are those who are being billed on a monthly basis for interconnection and/or resale services as of 09/30/02.
PHX 1348507.67817.307

COMPANY	R, ¹	ACTIVE ²
Momentum Telecom	R	N/A
Mountain Telecommunications	R/W	A
Mpower Communications (MGC)	W	A
Net-Tel	W	A
New Edge Networks	R & W	A
NOW Communications	R & W	A
Pac-West Telecom	R & W	A
PF.NET Telecomm	R	N/A
R.C.P. Services	R	N/A
RCN Telecom	W	A
Reflex Comm	W	N/A
Regal Telephone	R	A
SBC Telecom	R & W	A
Talk America	R & W	A
Tel West Comm	R & W	N/A
Teligent Services	W	A
Telseon Carrier	R & W	N/A
United States Telecom	R	A
Universal Access of Arizona	R & W	N/A
Valor Telecom CLEC of AZ	R & W	N/A
Vanion Telecom	R & W	N/A
Verizon Avenue (fka One Point)	W	A
Verizon Select Services	R & W	A
Vivo Comm	W	N/A
Winstar Wireless	R	N/A
XO Arizona, Inc.	R & W	A
Zephion Networks	W	N/A
Z-Tel Communications	R	A

COMPANY			R/W ¹	ACTIVE ²
WIRELESS: Companies Currently				
Operating in Prescott Valley.				
G Wireless				
Alltel				
AT&T				
Nextel				
Qwest Wireless				
Sprint				
T-Mobile				
Verizon				

¹ R = Resale CLEC's; W = Wireline CLEC's

² Active CLEC's are those who are billed on a monthly basis.

QWEST CORPORATION

ARIZONA

Issued: 7-30-01

**SERVICE QUALITY PLAN
TARIFF**

TITLE PAGE
Release 1

Effective: 8-29-01

TERMS, CONDITIONS, RATES AND CHARGES

Applying to the

SERVICE QUALITY PLAN

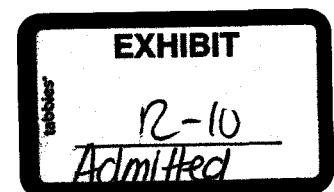
for the provision of service provided by

Qwest Corporation

in the State of

ARIZONA

as provided herein



QWEST CORPORATION
ARIZONA

SERVICE QUALITY PLAN
TARIFF

SECTION 1
Index Page 1
Release 1

Issued: 7-30-01

Effective: 8-29-01

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Explanation of Change Symbols	4
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Issued: 7-30-01

Effective: 8-29-01

1. APPLICATION AND REFERENCE

1.1 APPLICATION OF TARIFF

This Tariff contains the regulations, terms, conditions and charges applicable to the service quality plan for the provision of service provided by Qwest Corporation, hereinafter referred to as the Company.

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1. APPLICATION AND REFERENCE

1.4 TARIFF FORMAT

1.4.1 LOCATION OF MATERIAL

- A. Section 1 provides the following for all of the sections in this Tariff.
- Table of Contents - a numerical listing to find the desired section and page.
- B. Each individual section in the Tariff provides a Subject Index for the material located within that section.

1.4.2 OUTLINE STRUCTURE

The Tariff uses nine levels of indentations known as Tariff Information Management (TIM) Codes, as outlined below:

LEVEL	APPLICATION	EXAMPLE
1	Section Heading	1. APPLICATION AND REFERENCE
2	Sub Heading	1.4 TARIFF FORMAT
3	Sub Heading	1.4.1 LOCATION OF MATERIAL
4	Sub Heading/Tariff Text	A. Text
5	Sub Heading/Tariff Text	1. Text
6	Sub Heading/Tariff Text	a. Text
7	Sub Heading/Tariff Text	(1) Text
8	Sub Heading/Tariff Text	(a) Text
9	Footnotes	[1] Text

Issued: 7-30-01

Effective: 8-29-01

1. APPLICATION AND REFERENCE

1.5 EXPLANATION OF CHANGE SYMBOLS

SYMBOL	EXPLANATION
(C)	To signify changed regulation, term or condition
(D)	To signify discontinued material
(I)	To signify rate increase
(M)	To signify material moved from or to another part of the Tariff with no change, unless there is another change symbol present
(N)	To signify new material
(R)	To signify rate reduction
(T)	To signify a change in text but no change in rate, regulation, term or condition

Issued: 7-30-01

Effective: 8-29-01

1. APPLICATION AND REFERENCE

1.6 EXPLANATION OF ABBREVIATIONS

ACC	- Arizona Corporate Commission
ANSI	- American National Standards Institute
BER	- Bit Error Ratio
BOCs	- Bell Operating Companies
CO	- Central Office
Cont'd	- Continued
CPE	- Customer-Provided Equipment
dB	- Decibel
dBrnC	- Decibel above Reference Noise Level using C-Message Weighting
FCC	- Federal Communications Commission
Hz	- Hertz
IEEE	- Institute of Electrical and Electronics Engineers, Inc.
LATA	- Local Access and Transport Area
MFJ	- Modified Final Judgement
MTS	- Message Telecommunications Service
TIM	- Tariff Information Management (Code)

1.7 TRADEMARKS, SERVICE MARKS AND TRADE NAMES

Marks are identified in text throughout this document in all caps and italics.

MARK	OWNER
MARKET EXPANSION LINE®	U S WEST Communications Group, Inc.
U S WEST®	U S WEST, Inc.

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2. GENERAL REGULATIONS

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2. GENERAL REGULATIONS

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Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.1 DEFINITIONS

Definitions of terms used within this Tariff shall be consistent with the general understanding of the terms as used in the telecommunications industry unless specifically defined in this Tariff. In the interpretation of this Tariff, the following definitions shall be used:

Application for Service

In cases where a construction agreement is not required, an application shall be considered as made when the customer either verbally or in writing requests service. In cases where a construction agreement is required, an application shall be considered as made when the customer accepts the Company's cost estimate (see 2.4.3.A.) as evidenced by the return of the applicable construction agreement signed by the customer.

Base Rate Area

The developed portion or portions within an exchange service area as stated in the Company's Tariffs. Service within this area is generally furnished at uniform rates without charges that vary with distance from the central office.

Basic Local Exchange Service

The telecommunications service which provides a local dial tone, access line and local usage necessary to place or receive a call within an exchange area. This includes initial service (first line) and one additional line (second line). In cases where a business line is being established at a residence location that already has a residence line then, the business line will be considered initial service for purposes of determining alternative service and bill credits in 2.4.3 of this Tariff (business line and residence line refers to the class of service provided by the Company).

Basic Telephone Service

Those capabilities and services listed in 2.5.2.A. of this Tariff.

Busy Hour

The uninterrupted period of 60 minutes during the day when the traffic offered is at a maximum.

Issued: 7-18-02

Effective: 7-19-02

2. GENERAL REGULATIONS

2.1 DEFINITIONS (Cont'd)

Busy Season

A month or several months, which may be nonconsecutive, within a consecutive 12 month interval when the maximum busy hour requirements are experienced. The number of days within the busy season used for estimation of busy hour requirements should exclude days with abnormal traffic volume, such as Christmas or Mother's Day, and preferably should be limited to 30, but not exceed 60 days.

Calls

Customers' telecommunications messages.

Central Office

The inside plant of the Company as an operating unit, including the switch or other facilities used to establish connections between customer lines or between customers' lines and trunks or toll lines to other central offices within the same or at other exchanges.

Channel

A transmission path for telecommunications between two points. It may refer to a one-way path or, when paths in the two directions are always associated, a two-way path. Generally a channel is the smallest subdivision of a transmission system by means of which a single type of communication service is provided. A transmission path suitable for carrying analog voice signals covers a frequency band of 250-3,400 Hz.

Class of Service

A description of telecommunications service furnished a customer, which denotes such characteristics as nature of use (business or residence) or type of rate (flat rate, measured rate, or message rate).

(C)
(D)

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.1 DEFINITIONS (Cont'd)

Commission

The Arizona Corporation Commission.

Community of Interest

An area consisting of one or more exchanges in which the general population has similar governmental, health, public safety, business or educational interests.

Customer Trouble Report

Any oral or written report from a customer or user of telecommunications services relating to a physical defect or to difficulty or dissatisfaction with the operation of the Company's facilities. Only one report per day shall be counted for each oral or written report received from a specific customer in the same day about a specific problem.

Customer

Any person, firm, partnership, corporation, municipality, cooperative, organization, governmental agency, or other legal entity which has applied for, been accepted, and is currently receiving telecommunications service. A residential customer's use of telecommunications service is primarily of a social or domestic nature while a commercial customer's use is primarily of business, professional, institutional or other occupational nature.

Decibel

The unit of measurement used to express the ratio of two power signals. The abbreviation dB is commonly used for the term decibel.

Decibel above Reference Noise Level using C-Message Weighting

The meaning of the abbreviation dBrnC. The reference noise level of one picowatt is defined as 0 dBrnC. C-message weighting is used to account for the frequency characteristics of a typical telephone set by specific weighting of the noise signal at various frequencies to determine the composite average noise signal value.

Issued: 7-18-02

Effective: 7-19-02

2. GENERAL REGULATIONS

2.1 DEFINITIONS (Cont'd)

Dual Tone Multifrequency Signaling

A method of signaling used on a local access line which uses a simultaneous combination of one of a lower group of frequencies and one of a higher group of frequencies to represent each digit or character transmitted from the customer's station to the central office.

Exchange Area

A geographical area established by the Commission, which consists of one or more central offices together with associated facilities which are used in providing basic local exchange service. Calls within an exchange area are considered local calls.

Exchange

The entire telecommunications plant and facilities used in providing telecommunication service to customers located in a geographic area defined by tariff. An exchange may contain more than one central office switch location or wire center.

Held Service Order

An application for establishment of any service in the service territory of the Company, which is not filled because of the inability of the Company to supply service in 10 working days after the date of the customer's application. When the customer requests a later service date (beyond the ten working days), the application shall be considered a held service order after that customer requested date.

Hertz

The unit measurement for frequency and is equal to one cycle per second. The abbreviation Hz is commonly used for the term Hertz.

(D)

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.1 DEFINITIONS (Cont'd)

Individual Line Service

A grade of exchange service which provides that only one customer shall be served by the channel connecting the customer's service location with the serving central office.

Intercept Service

A service arrangement provided by the Company so that calls placed to a disconnected or discontinued telephone number are intercepted and the calling party is informed that the called telephone number has been disconnected, discontinued, changed to another number, that calls are being received by another telephone number, etc.

Local Access Line

A facility, totally within one exchange, providing a telecommunications channel between a customer's service location and the serving central office.

Local Access and Transport Area (LATA)

Each local access and transport area which has been designated in Arizona. As part of the divestiture of the Bell operating companies (BOCs) in 1984, the Modified Final Judgement (MFJ) called for the separation of exchange and interexchange functions, where exchange services were to be provided by the BOCs. LATAs were created in response to the MFJ exchange-area requirements. A LATA may encompass one or more contiguous local exchanges serving common social, economic, or other purposes, even when that area transcends municipal or other local government boundaries.

Local Calling Area

The geographic area approved by the Commission as a community of interest in which customers may make calls without payment of a toll charge. The local calling area may include exchange areas in addition to the serving exchange area.

Issued: 7-18-02

Effective: 7-19-02

2. GENERAL REGULATIONS

2.1 DEFINITIONS (Cont'd)

Out-of-Service

The customer's telephone service quality has deteriorated to such an extent that the customer cannot originate or receive calls, or cannot use the service because of excessive cross-talk or static, or other transmission problems (e.g., customer complains of no dial tone, can't receive a call or can't hear during a call).

Standard Network Interface

The demarcation point between Company facilities and the customer's inside wire, typically located at the protector on an outside wall at the customer premise.

Station

A device and any other necessary equipment at the customer's premises which allows the customer to establish and continue communication.

Telecommunications Service

The electronic or optical transmission of information between separate points by prearranged means.

Toll Service

The furnishing of telecommunications service between stations in different exchange areas or local calling areas, as defined by the Commission. This service is also referred to as message telecommunication service (MTS), message toll or interexchange telecommunications service.

Wire Center

The building which houses the local equipment from which communications services are furnished and facilities are terminated which furnish service within a designated wire center serving area.

(D)

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.2 RECORDS AND REPORTS

2.2.1 LOCATION OF RECORDS

All records required by this Tariff shall be kept within Arizona and shall be made available to the Commission or its authorized representatives at any time upon request.

2.2.2 RETENTION OF RECORDS

All records required by this Tariff shall be preserved for a minimum of 24 months after the date of entry of the record unless the retention length is specifically noted otherwise.

2.2.3 REQUIRED RECORDS AND REPORTS TO BE FILED WITH THE COMMISSION

A. Held Service Orders

1. The Company shall, on a quarterly basis, file a record for the preceding three months showing the same information as required under 2.2.4.B.1.
2. The Company shall, within five (5) working days submit to the Commission a report showing the information required by 2.2.4, and the number of days service has been delayed, when the lesser of 50 or 5 percent of the total number of service applications in a wire center in a consecutive three-month period are held service orders. The report shall also include the Company's proposed plan of action to reduce the number of those held service orders to fewer than the lesser of 50 or five percent of the total number of service applications in that wire center.

B. Service Interruptions

1. The Company shall notify the Commission of all interruptions affecting service in an entire exchange area or any major portion of it that affects the lesser of 25 percent or 1,000 of the exchange's local access lines for one or more hours during the day. This record shall show the date, time, duration, extent and cause of the interruption.
2. For each service interruption under the criteria of 2.4.2.A.3. for which the Company is unable to provide emergency service, the Company shall, on a quarterly basis, file a record for the preceding three months showing the same information as required under 2.2.3.B.1. plus an explanation as to why, under the requirements of 2.4.2.A.3., emergency service was unavailable.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.2 RECORDS AND REPORTS (Cont'd)

2.2.4. RECORDS AND REPORTS TO BE MAINTAINED BY THE COMPANY

A. Complaints

The Company shall maintain an accurate record of oral and written complaints made by its customers regarding service, or rates and charges. This record shall be based on those complaints tracked in the Executive/Commission Complaints Report and shall include the name and address of the customer or complainant, the time, date and nature of the complaint, the action taken to clear trouble, and the date and time of trouble clearance.

The record of complaints shall be categorized using the Company's existing Executive/Commission Complaints Reports which summarize complaints by source (FCC, ACC, Executive, Market Unit Director, Center for Customer Service, and Correspondence) and by category (repair, billing, etc.) to indicate to the Company and to the Commission the following:

1. Whether any particular customer encounters the same difficulties frequently, in terms of complaints per month (including customer trouble reports);
2. Whether a significant number or percentage of all complaints from different customers arise from the same irregularity in service, with 5 percent or more of all complaints over a three month period being considered significant, or;
3. Whether some phase of the construction, equipment, maintenance or operation are causing the complaints.

B. Held Service Orders

1. The Company shall keep a record, by wire center, of each instance when the Company fails to supply service to customers in areas of an exchange within the time frame established in 2.1, Held Service Order. The record shall indicate the name and address of each applicant for service, the date of application, the class of service applied for, if the held service is for a first line or an additional line, together with the reason for the delay in providing the service to the applicant, the expected date of service, and the Company project identification number. If a construction agreement is required, the above information should also indicate such a requirement.
2. All customers that are not supplied service within the time-frames established in 2.4.3.B. shall be given a written or verbal notice by the Company stating the cause for the delay, the expected date of service, and all remedies available to the customer pursuant to this Tariff. If verbal notification is used, the Company shall provide written confirmation to the customer as soon as possible. The customer will be renotified immediately if the expected date of service changes.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.2 RECORDS AND REPORTS

2.2.4. RECORDS AND REPORTS TO BE MAINTAINED BY THE COMPANY

B. Held Service Orders (Cont'd)

3. When the number of held service orders exceeds 50 access lines at a wire center providing service to 2,000 or more access lines, or 20 held service orders at a wire center serving fewer than 2,000 access lines, the Company shall maintain a summary of applications for each affected wire center showing the total number categorized by various causes for delay and by dates of application.

C. Maintenance and Operations Records

Records of various tests and inspections, to include non-routine corrective maintenance actions or monthly traffic analysis summaries for network administration, necessary for the purposes of the Company or to fulfill the requirements of this Tariff shall be kept on file in the office of the Company as required under 2.2.2. Corrective maintenance records shall show the line or facility, such as metering and recording equipment, that was tested or inspected. The records shall also include the reason for the test, the general conditions under which the test was made, the results of the test, and the corrections made.

D. Installation Intervals

The Company shall keep a record of the time it takes to install service when facilities are available to provide service. All necessary records shall be maintained to demonstrate compliance with 2.4.3.B. of this Tariff and contain the information delineated in 2.2.4.B.1.

E. Trouble Reports

The Company shall maintain a record, by wire center, of trouble reports made by its customers. This record shall include identification of the customer; of the service affected; the time, date and nature of the report; the action taken to clear the trouble or satisfy the complaint; and the date and time of the trouble clearance or other disposition. For purposes of Commission reporting, the Company shall exclude reports for services of another provider or reports regarding customer's station equipment (CPE). All necessary records shall be maintained to demonstrate compliance with 2.5.6 of this Tariff.

F. Construction Charge Estimates

The Company shall maintain a record of each instance when the Company provides a construction charge estimate for an applicant. The record shall indicate the name and address of each applicant for service, the date the construction charge estimate was sent to the applicant, the class of service applied for, if the request was for a first line or an additional line, the dollar amount of the estimate and if the estimate provided involved a group of applicants.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.3 RELATIONS BETWEEN CUSTOMERS AND THE COMPANY

2.3.1 COMPLAINTS AND APPEALS

A. Prompt Investigation

The Company shall fully and promptly investigate and respond to all oral and written complaints made directly to the Company by its applicants or customers. The Company shall notify the customer promptly of the results of its proposed disposition of the complaint after having made a good faith attempt to resolve the complaint. Upon request by the customer, the Company shall inform the customer in writing of its proposed disposition of the complaint.

B. Provision of Information

The Company shall direct its personnel engaged in initial contact with an applicant or customer in which dissatisfaction with the decision or explanation by the personnel is expressed, to inform the customer of the right to have the problem considered and acted upon by another consumer representative or supervisory personnel of the Company. If the applicant or customer continues to express dissatisfaction after the supervisory personnel have addressed the problem, the Company shall further direct the supervisory personnel to provide the complainant with the name, address and the current local, or where applicable, the current toll free telephone number of the Consumer Services Staff of the Commission to be contacted for further review of an unresolved problem.

C. Response to Commission

Upon receipt of a complaint, either orally or in writing, from the Commission or its staff on behalf of a customer or applicant, the Company shall make a suitable investigation and advise the Commission or its staff of the results. An initial oral or written response to the Commission or its staff shall be provided within 5 working days after receipt of the complaint by the Company. If requested by the Commission or its staff, a written final response detailing the disposition of the complaint by the Company shall be provided.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.3 RELATIONS BETWEEN CUSTOMERS AND THE COMPANY (Cont'd)

2.3.2 CUSTOMER BILLING REQUIREMENTS

A. Billing Credits

1. In the event the customer's service from the Company is interrupted and remains out-of-service for more than 8 continuous hours after being reported by the customer, or found to be out-of-service by the Company, (whichever occurs first) appropriate adjustments shall be automatically made by the Company to the customer's bill. The adjustment will be a credit on the customer's monthly bill equal to 1/30 of the Company's basic monthly service charges.
2. In the event the customer's service from the Company is interrupted and remains out-of-service for more than 48 continuous hours after being reported by the customer, or found to be out-of-service by the Company, (whichever occurs first) appropriate adjustments shall be automatically made by the Company to the customer's bill. The adjustment will be a credit on the customer's monthly bill equal to 7/30 of the Company's basic monthly service charges. Thereafter, the adjustment credit will be 7/30 of the basic monthly service charges for each 24 hour period beyond 48 hours of continuous out-of-service (i.e., 72 hours = 14/30, 96 hours = 21/30, 120 hours = 28/30, etc.)
3. The Company will not be required to provide an adjustment for the loss of service during time periods due to the following conditions:
 - a. the negligence or willful act of the customer; or
 - b. a malfunction of facilities other than those under the control of the Company; or
 - c. natural disasters or other events affecting large numbers of customers such as described in 2.5.2.A.4.; or
 - d. the inability of the Company to gain access to the customer's premises when required.
4. In the event the Company misses a service call (i.e., an appointment for a premise visit associated with installation or new service or with a regrade of service) by more than four hours, the Company shall automatically make a credit to the monthly bill of the customer for missed appointments. This credit shall also apply when the Company misses scheduled installation work to be done in the central office.

CREDIT

• Credit per missed appointment	
- Residence	\$16.00
- Business	19.00

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.3 RELATIONS BETWEEN CUSTOMERS AND THE COMPANY (Cont'd)

2.3.4 PUBLIC INFORMATION

A. Business Offices

The Company shall have one or more business offices or customer service centers staffed to provide access to qualified personnel in person or by telephone, including supervisory personnel where warranted, to provide information relating to services and rates, accept and process applications for service, explain charges on customers' bills, adjust charges made in error, and to generally act as representatives of the Company. If one business office serves several exchanges, toll-free calling from those exchanges to that office shall be provided.

B. Information Available from the Business Office

The Company shall, at a minimum, provide the following information to the public, as applicable and upon request, at each business office open to the public:

1. Copies of all Tariffs as filed with this Commission.
2. For each exchange served by the business office, maps showing the exchange, base rate area, zone and wire center (if applicable) boundaries in sufficient size and detail from which all customer locations can be determined and mileage and zone charges measured from these boundaries can be quoted.
3. Publicly announced information about the present and intended future availability of specific classes of service at the location of a potential customer.
4. Publicly announced information concerning plans for major service changes in the area served by the business office.
5. Information pertaining to services and rates as proposed in pending tariff or rate change filings.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.3 RELATIONS BETWEEN CUSTOMERS AND THE COMPANY

2.3.4 PUBLIC INFORMATION (Cont'd)

C. Directory Assistance and Intercept

1. The Company shall list its basic local exchange customers (except those customers requesting otherwise) with the directory assistance operators within 72 hours of service connection in order that they may provide the requested telephone numbers based on the customers' names and addresses when those requests are made.
2. In the event of an error in the listed number or name of any customer by the Company and until a new directory is published, the Company shall make whatever special arrangements are necessary and reasonable at no charge to ensure that calling parties are able to reach the customer whose listed number or name is in error.
3. In the event of an error in the number, name or address listing of any customer, the customer's correct name, address and telephone number shall be in the files of the directory assistance and intercept operators within 72 hours of confirmation of the error by the Company and furnished any caller upon request.
4. Whenever any customer's telephone number is changed at the request of the customer after a directory is published and until a new directory is issued, the Company shall intercept all calls to the former number for a reasonable period, but not fewer than 60 days. If the change is due to the initiative of the Company, intercept service for the former number shall be provided for the greater of 60 days or the remaining life of the current directory at no charge. The correct number shall be in the files of the information operator within 72 hours of the number change. The Company shall provide the caller with information on how to obtain the new number with the intercept recording.

2.4 CONSTRUCTION AND MAINTENANCE OF PLANT AND EQUIPMENT

The telecommunications plant of the Company shall be constructed, installed, maintained and operated in accordance with good engineering practice in the telecommunications industry to assure, as far as reasonably possible, uniformity in the quality of service furnished and the safety of person and property.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.4 CONSTRUCTION AND MAINTENANCE OF PLANT AND EQUIPMENT (Cont'd)

2.4.1 CONSTRUCTION AND MAINTENANCE PRACTICES

A. Minimum Construction Standard

1. The Company shall use as a minimum standard of accepted good engineering practice the 1993 edition of the National Electrical Safety Code, dated August 3, 1992, published by the Institute of Electrical and Electronics Engineers, Inc. (IEEE), and endorsed by the American National Standards Institute (ANSI), which is incorporated by reference for all new construction or major rebuild of telecommunication plant begun on or after August 3, 1992.
2. For telecommunication plant constructed or installed prior to August 3, 1992, the minimum standard of accepted good engineering practice shall be the edition of the National Electrical Safety Code in effect at the time of beginning construction or installations of the telecommunications plant.
3. Any telecommunications plant of the Company that is constructed, installed, maintained or operated in accordance with the National Electrical Safety Code in effect at the time of its construction or installation shall be presumed to comply with accepted good engineering practice in the telecommunications industry and the provisions of 2.4.1.A. of this Tariff. However, all direct buried cables connecting the standard network interface at the customer's premises to the network facilities of the Company shall be permanently buried, as practical, at least 12 inches below the final surface grade as known at time of installation. All other direct buried communication cable shall at least be buried at depths required for supply cable of similar voltage as specified in the National Electrical Safety Code.
4. The Company shall use as a minimum standard of safe practice the current edition of Part 68 of Title 47 of the Federal Code of Regulations dated October 1, 1994, for the interconnection of new or existing telecommunications plant of the Company with terminal equipment of a customer.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.4 CONSTRUCTION AND MAINTENANCE OF PLANT AND EQUIPMENT

2.4.1 CONSTRUCTION AND MAINTENANCE PRACTICES

A. Minimum Construction Standard (Cont'd)

5. The Company will coordinate with other entities concerning construction work initiated by itself, or other entities, that may affect its facilities used for serving the public. For example, the Company shall:
 - a. Economically minimize construction expenditure by coordination with other entities such as the joint use of trenches for cable where joint construction is safe, cost effective and in the best interests of the Company.
 - b. Take reasonable action such as identifying for other entities the location of underground facilities which may be affected by construction work, to protect service to the public. To accomplish this result, the Company shall maintain a data base or some other form of quickly accessible information at its facilities sufficient to allow facility location coordination and participation in a program on a statewide basis to minimize service interruptions caused by accidental cutting of cables in accordance with A.R.S. 40-360.21 et al.
 - d. Engage in coordination with electric power utilities in the area prior to constructing new plant or a major rebuild of existing plant which may be impacted by inductive interference from the electric power systems.
6. The Company shall adopt a program of periodic tests, inspections and preventative maintenance aimed at achieving efficient operation of its system to permit at all times the rendering of safe, adequate and continuous service as recognized by general practices within the telecommunication industry. The presence of inductive interference, cut-offs, intelligible cross-talk and excessive noise generation by communication system facilities during the provision of telecommunications services by the Company are symptomatic of inadequate service, and a maintenance program should be designed to minimize or prevent those occurrences. The Company shall maintain its system to meet the applicable service adequacy standards defined in this Tariff (2.5.1 through 2.5.6).
7. Records of various tests and inspections necessary to meet service standards of the industry in general or those contained in this Tariff (2.5.1 through 2.5.6) shall be kept on file in the office of the Company for review by this Commission. These records shall show the nature of the equipment tested, the reason for the test, the general conditions under which the test was made, the general result of the test and the corrections made.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.4 CONSTRUCTION AND MAINTENANCE OF PLANT AND EQUIPMENT (Cont'd)

2.4.2 PROVISION OF SERVICE DURING MAINTENANCE OR EMERGENCIES

A. Minimum Standards for Maintaining Service

1. The Company shall make reasonable provisions to meet emergencies resulting from power failures, sudden and prolonged increases in traffic, or from fire, storm, or acts of God, and shall issue instructions to its employees covering procedures to be followed in the event of emergency in order to prevent or mitigate interruptions or impairment of telecommunications service.
2. Each local central office, toll switching or tandem switching office of the Company shall contain a minimum of four hours of battery reserve rated for peak traffic load requirements. In central offices with capacity for more than 10,000 access lines, or in toll or tandem switching offices, a permanent auxiliary power unit shall be installed. For central offices serving fewer than 10,000 lines, a mobile power source shall be available which normally can be delivered and connected within four hours.
3. Service interruptions for an extended time due to maintenance requirements shall be done at a time which causes minimal inconvenience to customers. Customers shall be notified in advance by the Company of extended maintenance requirements as per Commission Rule R14-2-507.D.4. Emergency service should be made available in an area that experiences a service interruption affecting 1,000 or more access lines which may last for more than four hours during the hours of 8:00 a.m. to 10:00 p.m. based upon the prior experience of the Company. If the Company cannot provide emergency service it shall file a report of the occurrence as required under 2.2.3.B.
4. The Company shall develop a general contingency plan to prevent or minimize any service interruptions due to the catastrophic loss of a central office switch that serves more than 10,000 access lines or is the toll or tandem switching office for 10,000 access lines. The plan shall describe the actions and systems installed to prevent or minimize the extent of any incurred service interruption.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.4 CONSTRUCTION AND MAINTENANCE OF PLANT AND EQUIPMENT (Cont'd)

2.4.3 AVAILABILITY OF SERVICE - ADEQUACY OF FACILITIES

The Company shall employ prudent management planning practices so that adequate equipment is in place to supply service to prospective customers in its service territory within a reasonable period of time as set forth in this section.

The timeframes specified in this section and the associated remedies for failure to meet these timeframes apply to requests for basic local exchange service, unless otherwise stated.

A. Construction Charge Estimate

Where construction charges apply, the Company shall provide to the customer a good faith written cost estimate of the amount of the construction charge, within thirty (30) calendar days from the date of a customer's request for such estimate. Agreement by the customer with such estimate, as evidenced by a signed construction agreement, shall be notice to the Company that the customer desires service and the signature date on the construction agreement shall be considered the application date. The good faith written cost estimate shall inform the customer that receipt of a signed construction agreement is required before the customer's request will be considered an "application for service". This Tariff shall in no way extend the customer's in service date beyond the six (6) months referred to in 4.1.K. in the Exchange and Network Services Price Cap Tariff, i.e., the time period between when the customer's initial request for an estimate and the date service is actually provided, shall not exceed six (6) months, unless so requested by the customer or, unless the customer requests longer than thirty (30) days to return the signed construction agreement as previously agreed to by the Company. In no event will the customer have less than thirty (30) days to accept and return the signed construction agreement.

B. Timely Provision of Basic Local Exchange Service

The Company shall provide basic local exchange service (first and second lines) no later than five (5) working days from the date of the customer's application. When the customer requests a later date of service (i.e., beyond the five working days), the service shall be provided by the customer requested date. (See 1. through 4., following)

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.4 CONSTRUCTION AND MAINTENANCE OF PLANT AND EQUIPMENT

2.4.3 AVAILABILITY OF SERVICE - ADEQUACY OF FACILITIES

B. Timely Provision of Basic Local Exchange Service (Cont'd)

1. Provision of Alternative Form of Service and Other Remedies

When the Company fails to provide initial basic local exchange service (first line) within five (5) working days of the customer's application date or by the customers requested service date (if that date is more than 5 working days beyond the application date) the Company shall provide the customer with a:

- telephone number,
- *MARKET EXPANSION LINE* (Remote Call Forwarding line),
- directory listing,
- Calling Card,
- and waiver of the one time installation charge for the basic local exchange line when initial service is established.

2. If the initial basic local exchange service is not provided within thirty (30) days of the customer's application date or by the customer's requested service date (if that date is more than 30 days beyond the application date), the Company will also provide the customer a choice of:

- credit an amount equal to one month of the basic local exchange service for each month or partial month service was not provided beyond the thirty (30) day timeframe, or
- provide the customer with a choice of
 - a cellular voucher of one hundred fifty dollars (\$150.00) for each month or partial month service was not provided beyond the thirty (30) day timeframe), or
 - voice messaging, or other answering service or device, or
 - paging service.

Customers electing to receive alternative service shall be provided with payment vouchers for all reasonable expenses the customer incurs in obtaining the alternative form of telephone service listed in 2.4.3.B.2. The amount of such voucher shall be up to one hundred fifty dollars (\$150.00) per customer. Payment vouchers shall be issued monthly and continue through the month that basic local exchange service is actually provided to the customer. Payment of an alternative form of service will be offered in connection with the establishment of initial service at a specific address location only, i.e. payment shall not be offered for a second phone lines at the same address.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.4 CONSTRUCTION AND MAINTENANCE OF PLANT AND EQUIPMENT

2.4.3 AVAILABILITY OF SERVICE - ADEQUACY OF FACILITIES

B. Timely Provision of Basic Local Exchange Service (Cont'd)

3. When the Company fails to provide basic local exchange service for the second line within five (5) working days of the customer's application date or by the customers requested service date (if that date is more than 5 working days beyond the application date) the Company shall provide the customer with a waiver of the one time installation charge for the basic local exchange line when service is established.
4. When the Company fails to provide basic local exchange service for the second line within thirty (30) days of the customer's application date or by the customers requested service date (if that date is more than 30 days beyond the application date) the Company will credit the customer an amount equal to one month of the basic local exchange service for each month or partial month service was not provided beyond the thirty (30) day timeframe.

C. Potential Facility Unavailability

The Company shall inform prospective customers of the potential of future facility unavailability when the Company is experiencing or is forecasting potential facility unavailability in specific areas. The Company shall allow customers to reserve basic local exchange service by the subscription to the appropriate tariff rate (i.e., vacation service).

D. Applicability of Effective Date of Tariff

There may be customers that have applied for service prior to the effective date of this Tariff (the date of this application shall be considered the original application date) and have not received service by the effective date of this Tariff. For purposes of this Tariff, these customers' application date shall be considered to be the effective date of this Tariff. However, if service is not provided within the time frames contained in 2.4.3, the original application date shall be used to determine all applicable penalties imposed on the Company.

E. Waiver for 520 Area Code Implementation

The Company shall be granted a waiver of penalties and sanctions which would otherwise be applicable under 2.4.3.A. and B. due to failure to provide timely installation on second phone lines until the date that the permissive dialing for the 520 area code is discontinued by the Commission.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.5 QUALITY OF TELECOMMUNICATIONS SERVICE

2.5.1 ADEQUACY OF SERVICE

A. General Requirements

1. The Company shall employ prudent management and engineering practices so that sufficient equipment and adequate personnel are available at all times. To meet this objective, the Company shall conduct traffic studies, employ reasonable procedures for forecasting future service demand and maintain the records necessary to demonstrate to this Commission that sufficient equipment is in use and that an adequate operating force is provided.
2. The criteria for quality of service established within this Tariff defines a minimal acceptable standard for the most basic elements of telecommunications service. This Tariff does not attempt to define all criteria for all service applications nor the most desirable service level for any basic element, except for the minimal acceptable standard. In the event a specific service element is not covered by this Tariff, the Company will be expected to meet generally accepted industry standards for that element and the total service. Organizations which are recognized for establishing standards that may be appropriate for telecommunications services include the IEEE, ANSI, Bellcore and the Federal Communications Commission (FCC).
3. The Company shall make regular periodic measurements to determine the level of service for each item included in 2.5.2 through 2.5.6 of this Tariff. These records shall be available for review by this Commission upon request.
4. The standards within this Tariff establish the minimum acceptable quality of service under normal operating conditions. They do not establish a level of performance to be achieved during periods of emergency, catastrophe, natural disaster, or other events affecting large numbers of customers nor shall they apply to extraordinary or abnormal conditions of operation, such as those resulting from work stoppage, civil unrest, or other events for which the Company may not have been expected to accommodate.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.5 QUALITY OF TELECOMMUNICATIONS SERVICE (Cont'd)

2.5.2 BASIC TELEPHONE SERVICE STANDARD

A. Basic Service Standard

As part of its obligation to provide adequate basic telephone service, the Company shall construct and maintain its telecommunications network so that the instrumentalities, equipment, and facilities within the network shall be adequate, efficient, just and reasonable in all respects in order to provide each customer within its service area with the following services or capabilities:

1. Individual line service on the local access line where facilities permit;
2. Dual Tone Multifrequency signaling capability on the local access line;
3. Facsimile and data transmission capability of at least 2,400 bits per second on analog access lines served from the public switched network where the customer uses modulation/demodulation devices rated for such capability;
4. A local calling area that reflects the community of interest of the area in which the customer is located;
5. Access to toll services;
6. Customer billing, public information assistance, directory listing, directory assistance and intercept.

B. Universal Service Availability Standard

In order to maintain a reasonable uniformity between all localities in the Company's service area for adequate basic telephone service in the ordinary course of its business, the Company shall construct and maintain its telecommunications network so as to provide for universal (i.e. ubiquitous) availability of the following services or capabilities when requested by a customer within its serving area:

1. The basic service standard defined in 2.5.2.A.1. through 6.

C. Local Calling Area Standards

Local calling areas as established in the Company's Exchange and Network Services Price Cap Tariff (Section 5) shall be considered by the Commission to meet the community of interest standard as of the date of the Tariff.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.5 QUALITY OF TELECOMMUNICATIONS SERVICE (Cont'd)

2.5.3 CUSTOMER ACCESS LINES

The Company shall construct and maintain all local access lines used for individual line service so that the transmission loss, as measured at the interface with the Company's network at the customer's location and including any losses in central office equipment, does not exceed 8.5 dB at 1000 + or - 20 Hertz (Hz). All local access lines used for party line service shall be maintained so that the transmission loss under the previously described condition does not exceed 10 dB.

In addition, local access lines used for individual line service of less than 30,000 feet in length shall be constructed and maintained so that a measure of the circuit noise from the network interface at the customer's premises to and including the central office termination shall not exceed 25 dBrnC. All other access lines shall be maintained so that the measured circuit noise does not exceed 30 dBrnC.

All local access lines shall receive a minimum of 20 milliamperes of line current into an assumed station resistance of 430 ohms. Total line resistance excluding station equipment (CPE), shall not exceed the basic range of the central office. Range extension equipment shall be applied to subscriber lines which are longer (i.e., having more resistance) than the basic working range of the central office.

2.5.4 INTEROFFICE TRUNKING

Local and extended area service interoffice trunk facilities shall have a minimum engineering design standard of B.01 (P.01) level of service. Toll and toll tandem facilities shall have a minimum engineering design standard of B.005 (P.005) level of service.

A. Digital Services

The Company shall conform to the following digital circuit performance standards:

1. For end-to-end connections through the network the Bit Error Ratio (BER) shall be less than 10^{-7} on at least 95 percent of the connections. The BER is the fraction of errored bits relative to total bits received in the transmitted digital stream. A digital transmission channel is considered unavailable, or in outage condition, when its BER in each second is worse than 10^{-6} for a period of ten consecutive seconds.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.5 QUALITY OF TELECOMMUNICATIONS SERVICE

2.5.4 INTEROFFICE TRUNKING

A. Digital Services (Cont'd)

2. Error free performance for digital circuits, expressed in terms of a percentage of time in seconds when the circuit is available, shall be no less than 98.75% error free seconds. An error free second is any 1-second interval that does not contain any bit errors.
3. Circuit availability for digital circuits, expressed as a percentage of total calendar month minutes, shall be no less than 99.7%.

The standards listed above are minimum standards, actual network performance will depend on the type of facility utilized (i.e., copper or fiber) and the utilization of self healing and alternate route protection services.

2.5.5 NETWORK CALL COMPLETION REQUIREMENTS

A. Direct Dialed Calls

1. The Company shall maintain within its network sufficient central office and interoffice channel capacity plus other necessary facilities to meet the following minimum requirements during any normal busy hour:
 - a. Dial tone within three seconds for 98 percent of call attempts on the switched network.
 - b. Correct termination of 98 percent of properly dialed intraoffice or interoffice calls within an extended service area.
 - c. Correct termination of 98 percent of properly dialed intraLATA toll calls when the call is routed entirely over the network of the Company.
 - d. Central office equipment shall provide adequate operator or recorded announcement intercept. Adequate intercept means that the central office be so equipped and arranged to permit the interception of calls to all vacant codes and to provide average busy hour, busy season service levels of less than one percent of calls to intercept reaching busy or no circuit conditions.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.5 QUALITY OF TELECOMMUNICATIONS SERVICE

2.5.5 NETWORK CALL COMPLETION REQUIREMENTS

A. Direct Dialed Calls (Cont'd)

2. A properly dialed call may be terminated in one of the following conditions:

- a. The calling party receives an indication of ringing and a ringing signal is delivered to the station location of the called party. If the called party answers, a connection is established between the calling and called parties. A call is considered to be correctly terminated when this condition exists.
- b. If the called number is busy, the calling party receives a busy signal. A call is considered to be correctly terminated when this condition exists.
- c. If a connection cannot be established between the calling and called parties, the calling party will receive an announcement or an appropriate overflow signal which is different than a called party busy signal. A call is not considered to be correctly terminated when this condition exists.
- d. A call to a non-working code or inoperative customer number is directed to the intercept service of the Company. A call is considered to be correctly terminated when this condition exists.

B. Operator Assisted Calls

1. Suitable rules and instructions shall be adopted by the Company and followed by employees or other entities employed by the Company governing the language and operating methods to be used by operators during assistance to customers. Specifically, operators must be instructed to be courteous, considerate, and efficient in the handling of all customer calls. Any required call timing for toll operator assisted calls shall accurately record when the customer requested connection is established and when it is terminated.
2. The Company's operators shall answer 85 percent of directory, intercept, toll and local assistance calls within 10 seconds.
3. Other calls directed to the published telephone numbers for service repair or the business offices of the Company shall be acknowledged within 20 seconds for 100 percent of all such calls and answered by an operator or other employee within 20 seconds for 80 percent of all such calls. Timing for an answered call begins after acknowledgement and the customer is waiting to speak to a live operator.
4. An answer shall mean that the operator is ready to accept information necessary to process the call. An acknowledgement that the customer is waiting on the line shall not constitute an answer.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.5 QUALITY OF TELECOMMUNICATIONS SERVICE (Cont'd)

2.5.6 TROUBLE REPORT RESPONSE

A. Maximum Acceptable Number of Reports

The Company shall maintain its network so as to economically minimize customer trouble reports for services, but shall not exceed eight (8) reports per 100 access lines per month per wire center averaged over a three-month period. Each customer receiving party line service shall be considered to have one access line.

B. Allowable Response Time

The Company shall clear 85 percent of all out-of-service trouble reports during any three-month period within 24 hours.

This criteria excludes the following conditions:

- Reports for services of another provider.
- Situations where access to the customers premise is required, but not available.

C. Response Priority

If requested by the customer, the Company shall give priority to and initiate repairs regardless of the hour for customer trouble reports which may affect the public health and safety.

D. Customer Notification

If employees of the Company cannot clear the reported trouble promptly, the customer will be given a reasonable estimate of when the trouble report will be cleared.

E. Repair Service Commitments

The Company shall meet 90 percent of its repair service commitments during any three-month period. This criteria excludes situations where the commitment cannot be met due to customer reasons (i.e., access to the customers' premise is required but not available).

Issued: 9-25-01

Effective: 10-25-01

2. GENERAL REGULATIONS

2.6 GENERAL PENALTY AND OFFSETS CLAUSE

2.6.1 PENALTIES AND OFFSETS

A. Categories

Penalties and offsets will apply to five categories - held orders, out-of-service repair times, and access to Company residence business office, business business office, and repair office.

Each category has a performance schedule outlining the ranges of performance that may be achieved by the Company (see 2.6.1.F. through J.).

B. Penalties

Penalties and offsets will be calculated on a monthly basis, but assessed on an annual basis. Any net penalties payable for a calendar year will be paid by the Company no later than January 31 of the following year.

C. Offsets

In those years resulting in offsets exceeding penalties, no penalty will be paid by the Company. The Company will not be allowed to carry an offset over to the following year. Offsets may only be used to reduce penalties in that category, i.e., offsets from one category may not be applied against penalties in the other two categories. In the access category, the offsets may be used only against penalties for the same class of service, e.g., offsets for residential service may not be used against penalties for business service.

D. Reports

The Company will submit quarterly reports depicting the monthly calculations for the penalties and offsets in each category and the raw (unadjusted) data used to perform those calculations. The raw data for access shall be separated by center, i.e., residence business office, business business office, and repair office.

These quarterly reports shall be filed in the docket and shall be available for public inspection. These quarterly reports should not contain customer proprietary information.

(D)

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.6 GENERAL PENALTY AND OFFSETS CLAUSE

2.6.1 PENALTIES AND OFFSETS (Cont'd)

E. Doubling of Penalties

If a penalty is paid in a particular service category and the Company fails to meet the standard in consecutive years, commencing in 2000, the penalties and offsets will be doubled. The Company will have an opportunity to demonstrate why the circumstances at that time do not warrant a doubling of the penalties. No single violation will be subject to a penalty in excess of \$5,000 per day.

F. Held Order Schedule

RANGE (% TOTAL HELD ORDERS OF WORKING ACCESS LINES)	PENALTY AMOUNT PER DAY
(.0911% and above).....	\$4,000
(.0701% to .0910%)	\$2,000
(.0491% to .0700%)	\$1,000
(.0281% to .0490%)	No penalty applies
(.0% to .0280%)	\$4,000 per day offset can be applied against other penalties assessed for that year

For reporting purposes, held orders will be counted once each month at the end of the month. An order would be considered held when the order is not filled by the due date appearing on the order without regard to the number of days that have passed since the application date.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.6 GENERAL PENALTY AND OFFSETS CLAUSE

2.6.1 PENALTIES AND OFFSETS (Cont'd)

G. Out-of-Service Repair Schedule

RANGE (% OUT-OF-SERVICE CLEARED LESS THAN 24 HOURS)	PENALTY AMOUNT PER DAY
(95.01% to 100.00%)	\$4,000[1]
(90.01% to 95.00%)	\$2,000[1]
(85.01% to 90.00%)	\$1,000[1]
(80.01% to 85.00%)	No penalty applies
(70.01% to 80.00%)	\$1,000
(50.01% to 70.00%)	\$2,000
(0% to 50.00%)	\$4,000

[1] Per day offset can be applied against other penalties assessed for that year.

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.6 GENERAL PENALTY AND OFFSETS CLAUSE

2.6.1 PENALTIES AND OFFSETS (Cont'd)

H. Residence Office Access Schedule

RANGE (% OF CALLS ANSWERED WITHIN 20 SECONDS)	PENALTY AMOUNT PER DAY
(85.01% to 100.00%)	\$4,000 per day offset can be applied against other penalties assessed for that year
(70.01% to 85.00%)	No penalty applies
(56.01% to 70.00%)	\$1,000
(32.01% to 56.00%)	\$2,000
(0% to 32.00%)	\$4,000

I. Business Office Access Schedule

RANGE (% OF CALLS ANSWERED WITHIN 20 SECONDS)	PENALTY AMOUNT PER DAY
(85.01% to 100.00%)	\$4,000 per day offset can be applied against other penalties assessed for that year
(70.01% to 85.00%)	No penalty applies
(56.01% to 70.00%)	\$1,000
(32.01% to 56.00%)	\$2,000
(0% to 32.00%)	\$4,000

Issued: 7-30-01

Effective: 8-29-01

2. GENERAL REGULATIONS

2.6 GENERAL PENALTY AND OFFSETS CLAUSE

2.6.1 PENALTIES AND OFFSETS (Cont'd)

J. Repair Office Access Schedule

RANGE (% OF CALLS ANSWERED WITHIN 20 SECONDS)	PENALTY AMOUNT PER DAY
(85.01% to 100.00%)	\$4,000 per day offset can be applied against other penalties assessed for that year
(70.01% to 85.00%)	No penalty applies
(56.01% to 70.00%)	\$1,000
(32.01% to 56.00%)	\$2,000
(0% to 32.00%)	\$4,000

2.7 WAIVER CLAUSE

2.7.1 PROCEDURE FOR WAIVER OF THIS TARIFF

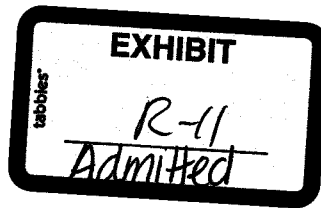
The Company may seek permission to waive all or part of this Tariff, subject to the following limitations:

- A. A request by the Company for a blanket waiver shall not be granted. Only waivers for individual customers or individual developments or areas shall be considered.
- B. A waiver may be granted only if the Company can demonstrate a good faith effort to comply with the provisions of this Tariff and the Commission finds that the public interest requires the granting of the waiver.

U S WEST COMMUNICATIONS

PRESCOTT, ARIZONA
EXCHANGE AREA

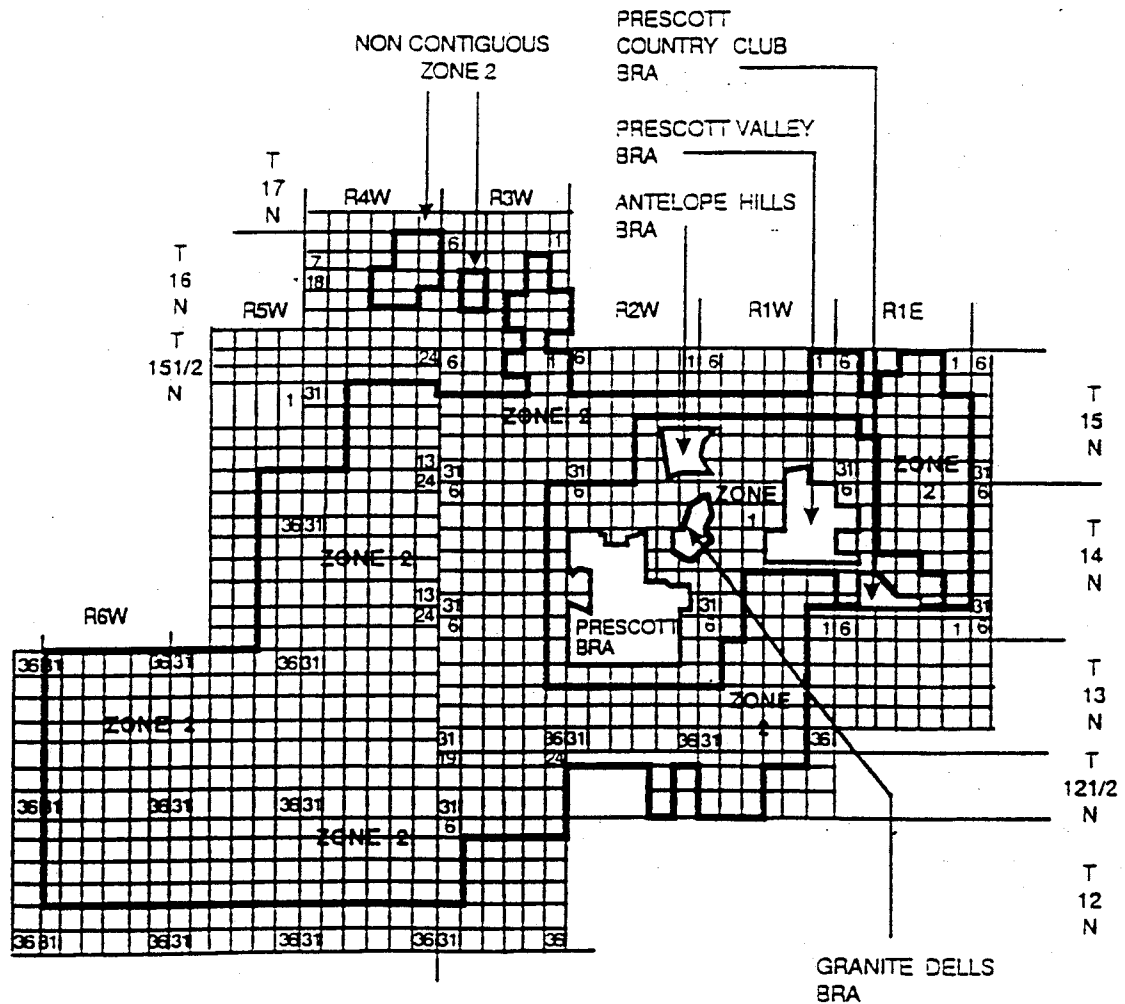
Thirteenth Revised Sheet
Supersedes Twelfth Revised Sheet



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SCALE IN MILES



ISSUED: JULY 15, 1993

EFFECTIVE: JANUARY 16, 1995

Revised: 8/16/97

BY W.G. ALLCOTT, ARIZONA VICE PRESIDENT
3033 NORTH THIRD STREET, PHOENIX ARIZONA

- Lots that currently have homes but don't have service. Have service already

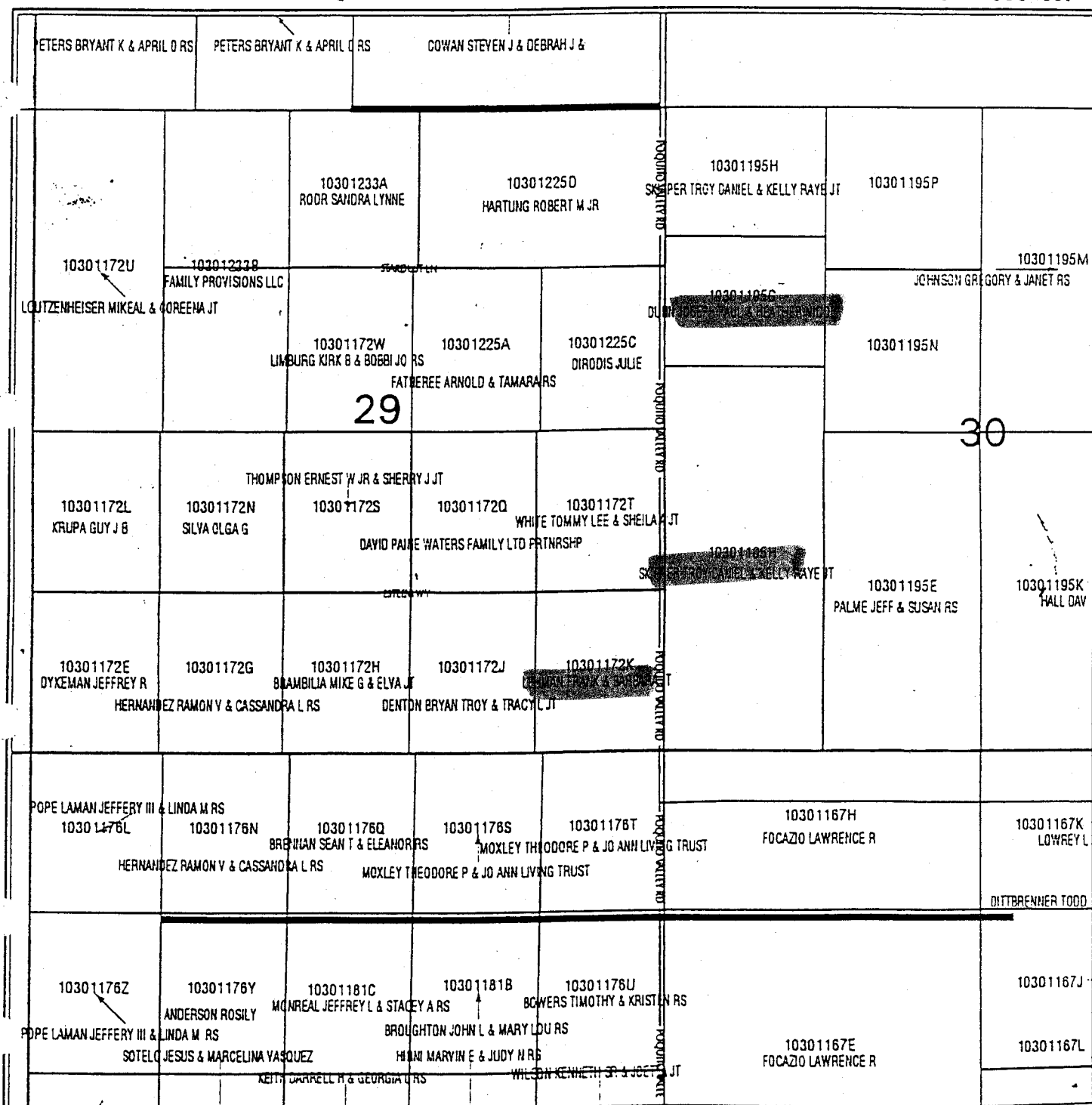
no Home on lot

(Area that we are requesting service)

1 inch = 300 feet

**ables.**

R-12
Admitted



REQ PREM TCAT L# 1 BD MSG 09: SAG INFORMATION ONLY

SAGA PNK EMP NPA NNX

ADDR 10000 N POQUITO VALLEY RD

LOC APT FLR BLDG

AHN RT BOX

COM PRESCOTT VALLEY ST AZ

TN LN STATUS

DES

ZIP 86314 EX PRS WC 520,772 NPA 520

BO DIR RTZ 01U2 CO 772 LCL

PC TELF 5ES TAR DJ PD

RMK ADDRESS 10000 & UP ARE IN OPEN TERRITORY *DO NOT TAKE ORDERS 1-00*
9500-9855,B NO LINE EXTNTN CHRGS APPLY,ZONE CNCT CHRG ONLY (11/98)RMKT DD=M-F; FACS=F,WC=PX; FOR TN ASSIST CALL NSAC 1-800-513-5558
STREET NAMES IN THIS WIRE CENTER HAVE BEEN CONVERTED TO POSTAL STANDARDS

RMKB

STAT TN CT CNF DIP CS

LN MWS

DAC +PIC +PIC +PIC

EXHIBIT

tabbles

R-13
Admitted

REQ PREM TCAT L# 1 BD MSG 09: SAG INFORMATION ONLY
 AGA PNX EMP NPA NNX MSG 99: THIS ADDRESS IN DIFF COM/STATE

ADDR 7120 E ESTEEM WAY

LOC APT

FLR

BLDG

AHN

RT

BOX

COM PRESCOTT VALLEY

ST AZ

TN

LN

STATUS

DES

ZIP 86314

EX PRS

WC 520,772 NPA 520

BO

DIR

RTZ 01U2 CO 772

LCL

PC

TELF 5ES

TAR DJ PD

RMK OPEN TERRITORY **DO NOT TAKE ANY ORDERS** 1-00

RMKT DD=M-F; FACS=F,WC=PX; FOR TN ASSIST CALL NSAC 1-800-513-5558

STREET NAMES IN THIS WIRE CENTER HAVE BEEN CONVERTED TO POSTAL STANDARDS

RMKB

STAT

TN

CT CNF

DIP

CS

LN

MWS

DAC

+PIC

+PIC

+PIC

POTS

ride the light

POTS (w/Address Validation) Query Results

Fri Jul 19 16:40:08 MDT 2002

BASIC Address Listing

7225 E ESTEEM WAY
PRESCOTT VALLEY, AZ 86314

ERROR: 20061**ERROR TITLE:** Invalid address specified**MESSAGE:** Address 'e esteem way' not found.**DESCRIPTION:** The requested address was not found. Please verify the address and try again.

Click your web browser BACK button to try again.

GENERAL Information**DESCRIPTION:**

CO TYPE:	5ES	RTZ:	01U2		
TAR:	DJ	NPA:	928	NXX:	772
CO:	772	EXCH:	PRS		

REMARKS**RMK:** OPEN TERRITORY **DO NOT TAKE ANY ORDERS** 1-00**RMKT:** DD=M-F; FACS=F,WC=PX;4 TN CALL 1-800-513-5558; CTX=CENTIID
STREET NAMES IN THIS WC HAVE BEEN CONVERTED 2 POSTAL
STANDARDS

POTS

ride the light

POTS (w/Address Validation) Query Results

Mon Sep 30 17:27:51 MDT 2002

BASIC Address Listing

7095 E ESTEEM WAY
PRESCOTT VALLEY, AZ 86314

ERROR: 20061**ERROR TITLE:** Invalid address specified**MESSAGE:** Address 'e esteem way' not found.**DESCRIPTION:** The requested address was not found. Please verify the address and try again.

Click your web browser BACK button to try again.

GENERAL Information

DESCRIPTION:

CO TYPE:	SES	RTZ:	01U2	
TAR:	DJ	NPA:	928	NXX: 772
CO:	772	EXCH:	PRS	

REMARKS**RMK:** OPEN TERRITORY **DO NOT TAKE ANY ORDERS** 1-00**RMKT:** DD=M-F; FACS=F,WC=PX;4 TN CALL 1-800-513-5558; CTX=CENT1ID
STREET NAMES IN THIS WC HAVE BEEN CONVERTED 2 POSTAL
STANDARDS

POTS

ride the light

POTS (w/Address Validation) Query Results

Wed Jul 24 13:32:25 MDT 2002

BASIC Address Listing

LEHMAN, BARBARA (WORKING)
10150 N POQUITO VALLEY RD
PRESCOTT VALLEY, AZ 86314

WORKING Detail (1 Total)

1 (928) 772-9189 ▼

FACILITY Request Detail

Lines Requested: 1

Terminal Type: **PEDESTAL**

Lines Available: 0

Wire Center: **PX**

Line	Status	Dispatch	Comments
2	HELD-ORDER	YES	NO FEEDER PAIR AVAILABLE

Dual Service Availability

DUAL SERVICE NOT AVAILABLE AT THIS ADDRESS

Product Features Availability

CKID/TN	MWIV		CALLER ID		ASLS	
	Status	Note	Status	Note	Status	Note
928 772-9189	✓		✓		⊗	1
spare	✓		✓		⊗	1

NOTES:

1) Serving Switch Type: 5EXM - Incompatible with ASLS

GENERAL Information

CUSTOMER:	LEHMAN, BARBARA (WORKING)
DESCRIPTION:	

CO TYPE:	5ES	RTZ:	01U2	
TAR:	DJ	NPA:	928	NXX: 772
CO:	772	EXCH:	PRS	

REMARKS

RMK: ADDRESS 10000 & UP ARE IN OPEN TERRITORY *DO NOT TAKE ORDERS 1-00* 9500-9855,B NO LINE EXTNTN CHRGS APPLY,ZONE CNCT CHRG ONLY (11/98)

RMKT: DD=M-F; FACS=F,WC=PX;4 TN CALL 1-800-513-5558; CTX=CENT1ID STREET NAMES IN THIS WC HAVE BEEN CONVERTED 2 POSTAL STANDARDS

CONFIDENTIAL: Disclose and Distribute Solely to Employees of Qwest and it's Affiliates Having a Need to Know

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Contact: Facility Check Project (sswayze@qwest.com)

Document was dynamically created on :07/24/2002 1:32:25 PM MDT

POTS

ride the light

POTS (w/Address Validation) Query Results

Mon Sep 30 17:27:23 MDT 2002

BASIC Address Listing

HERNANDEZ, RAYMOND & CASS (WORKING)
7070 E MOONLIT DR
PRESCOTT VALLEY, AZ 86314

WORKING Detail (2 Total)

1	(928) 775-7464	▲
2	(928) 775-7466	▼

FACILITY Request Detail

Lines Requested: 1

Terminal Type: **PEDESTAL**

Lines Available: 1

Wire Center: **PX**

Line	Status	Dispatch	Comments
3	*AVAILABLE	YES	APPOINTMENT SCHEDULER REQUIRED. *TEMPORARY DROP MAY BE REQUIRED, WITH BURIED WORK TO FOLLOW.

Dual Service Availability

DUAL SERVICE NOT AVAILABLE AT THIS ADDRESS

Product Features Availability

CKID/TN	MWIV		CALLER ID		ASLS	
	Status	Note	Status	Note	Status	Note
928 775-7464	✓		✓		⊗	1
928 775-7466	✓		✓		⊗	1
spare	✓		✓		⊗	1
NOTES:						
1) Serving Switch Type 5EX-M - incompatible with ASLS						

GENERAL Information

CUSTOMER:	HERNANDEZ, RAYMOND & CASS (WORKING)
DESCRIPTION:	

CO TYPE:	5ES	RTZ:	01U2		
TAR:	DJ	NPA:	928	NXX:	772
CO:	772	EXCH:	PRS		

REMARKS

RMKT: DD=M-F; FACS=F,WC=PX;4 TN CALL 1-800-513-5558; CTX=CENT1ID
STREET NAMES IN THIS WC HAVE BEEN CONVERTED 2 POSTAL
STANDARDS

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Contact: Facility Check Project (sswayze@qwest.com)

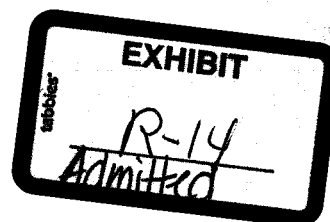
Document was dynamically created on :09/30/2002 5:27:23 PM MDT

Ticket Detail - Historical

Reporting Level:	4	Query Type:	Order
Order or Job Number:	N12472424	Partition:	200001
Ticket Number:	1299-1319851	Ticket Id:	1311762

Order Number: N12472424	
Order Information - N12472424	
Originator User ID:	CZOBEL
Name:	ZOBEL, CHRISTINE
Telephone:	480-831-4649
Customer Name:	(NON-PUB) THOMPSON, ERNIE
ID:	N/A
Address:	7120 E ESTEEM WAY
Unit:	N/A
City:	PRESCOTT VALLEY
State:	AZ
Zip:	-
End User:	(NON-PUB) THOMPSON, ERNIE
End User Type:	RESIDENTIAL
Class Svc/USOC:	IFR
State:	AZ
Service Type:	POTS
HCat:	H
Circuit ID:	N/A
Telephone:	520-772-3059
WC NPA-NXX:	520-772
WC/CLLI:	PRSCAZEA
FACS/WC:	PX
District:	NO
Field Jeopardy:	No
Escalate:	No
Expedite:	No

Target Dates (Mountain Time) - N12472424			
APP:	12/02/1999	Due Date:	12/07/1999
Held Date:	12/03/1999	Revised DD:	N/A
LAM:	N/A	Origtn Date - Time:	12/03/1999 - 11:26
DVA:	N/A	Req. Resp. Date - Time:	12/07/1999 - 11:26
		RID:	N/A
		DLRD:	N/A
		PTD:	N/A



Status History Information - N12472424				
	Status Type Name	Date/Time	Last User ID	Ticket Dept
TICKET Status	NEW	12/03/99 11:26	RHENSEL	ENG
	PEND_ENG_D	12/03/99 11:29	RHENSEL	LNO
	PEND_CUST	12/06/99 07:38	MEBARTO	CUS
	CANCEL	01/26/00 10:54	VFINN	CUS
SWITCH Status	N/A			
Design LL Status	N/A			
IOF Status	N/A			
CSPEC Status	N/A			
POTS LL Status	CANCEL	01/26/00 10:54	VFINN	CUS
PDAC Status	N/A			
DAG LL Status	N/A			

Dependent Orders - N12472424				
Order No	Items	Remarks	Tracker ID	Date / Time
* No Dependent Orders Associated With This Ticket *				

Job Information - N12472424							
Service	Job No	Prim	Original EC	Current EC	Original RFS	Current RFS	Print Splice
* No Jobs Associated With This Ticket *							

POTS LOCAL LOOP

Shortage Information - N12472424			
Prod. Tech. Consultant User ID:	RHENSEL	CBR#:	
Distribution TEA:	UNKNOWN		
Plant Condition:	NO PLANT	Taper Code:	999999
Cross Box:	UNKNOWN		
Plant Condition:	N/A	Taper Code:	999999
No. OF Pairs Required:	1	CO Equipment:	N
-Plant Location-			
AER Drop:	N	F1 Facility:	Y
F2 Facility:	Y	Other:	N
BSW:	N	ENCAP:	N
Bridge Tap:	N	Load Coil:	N

Ticket Notes (total of 8) - N12472424

[illegible]

Ticket Note 8 of 8 - N12472424	
Name: USER, CCE	Telephone: 800-664-5584
Service: CUSTOMER	Date/Time: 01/27/2000 14:14
Subject: CCE	
Note:	Mail Correspondence CCE Case 56426 I SENT A CARD TO THE CUSTOMER TO CALL ME ABOUT THE MESSAGE THAT HE CANCELLED HIS ORDER FOR THIS LINE. I ASKED THAT HE CALL ME BACK. RE CROSS 402-591-6418 01/27/00 02:14:07 PM

Job Notes

* No Jobs Associated With This Ticket, So There Are No Job Notes *

Application last modified: June 15, 2002 // Report generation time: .77 minute(s) // Page generated by QSS from RTT data at: 10:15 October 07, 2002

RTT/QSS CONTAINS WHOLESALE/CARRIER PROPRIETARY INFORMATION, RETAIL EMPLOYEES CANNOT USE THIS INFORMATION FOR COMPETITIVE PURPOSES

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Contact: QSS Support Team(qssteam@qwest.com)

Last Update: August 4, 2001

URL: <http://qssweb>

INQS S ST CP OD T I3 TL AB SOI 0314-1735 AS 0317-0743 BPC SCN 1=
TN 520 772-9513 MH CUS 702 CD 03-17-01 EX PRS APP 03-14 12P
ORD T17437866 D CS 1FR SLS 1TAHLAA DD 03-17 | X

PCS	P	I	NPU
FDD	03-17	I	1FR /RIE/PIC NONE
RTG	(VM 520-772)		/LPIC 5123/NMC/ADL
-LIST			/LSTP/RAX U2
OTN	520 772-9513	I	PORXX
NP	(NON-PUB) THOMPSON, ERNIE	I	9PZLX
OLA	3300 N VALLEY VIEW DR ,	I	999AL
	PRESCOTT VALLEY	I	9ZRMR
ILA	9990 N POQUITO VALLEY RD,	I	AYK
	PRESCOTT VALLEY	I	N2W /RIE
-BILL		I	NSY /RIE
MCN	XAXAHXXXXXG	I	NSQ /RIE
BN1	ERNEST W THOMPSON JR	I	NSS /RIE
BA1	PO BOX 27016	I	NSK /RIE
PO	27016 PRESCOTT VLY AZ/TAR DJ	I	NCE /RIE
	/CSN 09		
SS	XXXXXXXXXX PD		
CBR	623 849-3416		
-S&E			
I	NW2		

EXHIBIT

R-15
Admitted

INQS S ST CP OD T I3 TL AB SOI 0314-1735 AS 0317-0743 BPC SCN 2-
TN 520 772-9513 MH CUS 702 CD 03-17-01 EX PRS APP 03-14 12P
ORD T17437866 D CS 1FR SLS 1TAHLAA DD 03-17 | X

I ESM /RIE
I ESC /RIE
I E8C /RIE
I E3D /RIE
I NNK /RIE
I VMJXB /RTE 4.95/BI SEN

/MSS *MSAAVM
MSSGRP.0140
/CFN 445-2293/RCYC 4

-C COR RSND TO FACS
RMK 03-17 PER WFADO CMP'D
ORW RMSCE PCET 800 853-4633

-STAT
OCB 131
\$

-RMKS

ACC C:05:00P
RMK CBR 520-772-9513ERNEST
RMK SRN WAIN AUTEN 602-665-4736
RMK OWR RMSCP SSALONI 800
853-4633
RMK PER ROMS, T&F SAME SERV
RMK AS#XMC8VG3A01
RMK NW2, INSTALL 1 LINE
RMK A CORR MBQR 640186 ADD LSTP
RMK B TO COR TAR PER PREMIS

Svc rep who took
order

BOSS NOTE

CMD

MSG COMMAND COMPLETED(I210)

520 772 9513 702 NP

*NOTE LIVE

ERNEST W THOMPSON JR

DATE RP NOTATION

0220 CSC00 RCVD RG05-0095 TO EST 100% PSN 2-17

USR TYPE PN ACT FU

RRM G1Z PERM

0329 AUTOPY R 16878475 03/30/99

PMB OY1 PERM

ADD AP PR LINKS L990317 PCLE FALLOUT

0319 1999 PIC FREEZE BOTH PER ERNEST

BCF CX1 PERM

0225 1999 SEND A/P BROCH

DJD IH1 PERM E15 CMT 0226

0603 MR FREE # CHNGE

EDL YQ1 PERM

0328 SHERRY SSENT .NET CD

DJL YC1 SALC

0320 SOCS F17437866 03-20 ORDER IN ERROR

ACG MYN MISC

0314 RSCP NAN

SS2 JH9 CHK

0314 NONE DD 03-17 F17437866 GEN BY MI

SMS JH9 FOOF

PLEASE TRNSFR SRVC TO NEW ADDRESS,

THIS LINE WILL BE ADD LINE AT NEW

ADDRESS

LEAVE ALL SRVCS THE SAME

0314 MR TRNSFR SRVC TO NEW ADDRESS ISSD IN

WRA YUI MISC

ROMS

RP NOTATION

TYPE PN ACT FU BD

0301

CMD

MSG

MAR 24 01 *CSBL FIN-I NF

PRS 1FR

TED MOXLEY

/1

PB 0101 RT

AC B-00

CN PO

R1 0501 ES

TC 1

LCU

R2 0511 NT C G

NOB

TAX FSLCFS

LOR

R3 0231 PPD

TAR DJ

LAL

CI

CBR

MSI 10 VRA 0

SSN

N

VL

TRT HIST

SCH WO 060401 CIV 0800

RCK HIST

CBI

PREV BL

CUR BL

PAY & ADJ PREV BILL

PAY & ADJ CURR BILL

DATE T

AMOUNT

DATE T

AMOUNT

MTN

ATC

CCG

BAL

TOT

RP

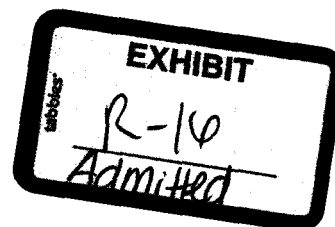
NOTATION

CUR DUE

TYPE PN ACT FU BD

0301

P



CMD

MSG

*NOTE FIN-I

TED MOXLEY

/1

DATE RP

NOTATION

USR

TYPE PN

ACT

FU

0327 PCLAB R 16588641 03/29/00

P22 OY1 PERM

ADD OTME 032900

0329 LKA CHKD NOTES

LKA YT1 CHK

0329 LKA CHKD CI

LKA YT1 CHK

328 LKA CHKD ORDER

LKA YT1 CHK

0328 VFMS CHK

ST1 UD0 MISC

0328 TRACY ? LD BLK DEP

JH3 Y21 MISC

0327 INTRA CHK NOTES

VXF OU1 MISC

0323 TRACY AOC INTO TROY & TRACY

DEC ZP1 QPOC

0323 TRACY C 45921719 03/24/01

F05 ZP1 PSOC

0313 TED OK FOR TROY DENTON 2 AOC THIS ACCT

JXL YW1 OTHB

WL HAVE HIM CL

RP

NOTATION

TYPE PN

ACT

FU

BD

0301

CMD _____ MSG COMMAND COMPI D(I210)
APR 13 01 *CSR TRDEP P 1 3

*SBN 1 _____

---LIST

NP (NON-PUB) (OTML) (OCLS)
DENTON, TROY
LA 9990 N POQUITO VALLEY RD ,
PRESCOTT VALLEY

---BILL

MCN XXXAHXXXXXP
SS _____
CBR 520 717-9942
BN1 TROY DENTON
BA1 PO BOX 343
PO 86314 PRESCOTT VLY AZ /TAR DJ
CRV _____

---S&E

ORIG SERV ESTAB 6-2-97

32401	1719*	NPU	/MTN	1.90	1.90
32401	1719*	1FR	/MTN/RAX U2/RIE/TBE A	.00	.00
RP	NOTATION		TYPE PN ACT FU BD		

	/PIC NONE/LPIC 9199/NMC			
	/ADL /LCC TR2 /PROX			
32401 1719	PORXX/MTN	.43	.43	
32401 1719*	AYK /MTN	.00	.00	
32401 1719	9PZLX/MTN	.37	.37	
32401 1719*	ESC /MTN/RIE	.00	.00	
32401 1719*	PGOCA/MTN	29.95	29.95	
32401 1719*	NNK /MTN/RIE	.00	.00	
32401 1719*	NSQ /MTN/RIE	.00	.00	
32401 1719*	NSS /MTN/RIE	.00	.00	
32401 1719	999AL/MTN	.00	.00	
32401 1719*	N2W /MTN/RIE	.00	.00	
32401 1719*	RTY /MTN	.00	.00	
32401 1719*	RBE1X/MTN/DES RSTRCTD DO NOT RMV	.00	.00	
	RTY-TBE-A W O DEP OR RECLAS			
	TO B			
32401 1719	9ZRMR/MTN	6.52	6.52	

RP

NOTATION

TYPE PN

ACT

FU

BD

CMD

MSG COMMAND COMPI D(I210)

APR 10 01 *CSR TRDEP P 3 3

---RMKS

RMKR -MN LN

NOS 1

TOTAL EXCLUDING TAX 39.17

RP NOTATION

TYPE PN ACT FU BD

RECEIVED

2002 NOV 22 P 4: 06

AZ CORP COMMISSION
DOCUMENT CONTROL

1 FENNEMORE CRAIG

2 A Professional Corporation

3 Timothy Berg

4 Theresa Dwyer

5 Darcy Renfro

6 3003 North Central Avenue

7 Suite 2600

8 Phoenix, Arizona 85012

9 Telephone (602) 916-5000

10 Attorneys for Qwest Corporation

11 **BEFORE THE ARIZONA CORPORATION COMMISSION**

12 RESIDENTS OF PRESCOTT VALLEY,
13 TRACY AND TROY DENTON, ET. AL.,

14 Complainants,

15 vs.

16 QWEST CORPORATION,

17 Respondent.

Docket No. T-01051B-02-0535

**NOTICE OF DEPOSITION: PURSUANT
TO ARIZ. R. CIV. P. 30(b)(6)**

18 You are hereby notified that, pursuant to Arizona Rule of Civil Procedure 30(b)(6), you,
19 Arizona Corporation Commission Utility Division Staff ("Staff"), are hereby requested to
20 designate and produce for deposition person or persons who consent to testify on your behalf as
21 to matters known by or available to you with respect to the subjects listed below.

22 The deposition will be taken before a an officer authorized by law to administer oaths at
23 the law offices of Fennemore Craig, 3003 N. Central Avenue, Suite 2600, Phoenix, Arizona
24 85012, (602) 916-5000, at 10:00 a.m. on December 10, 2002. The oral examination will continue
25 from day to day thereafter on successive business days until completed.

26 ///

///



1 **Deposition Subject Matters to Include:**

2 1. The process and procedures utilized by the Arizona Corporation Commission
3 and/or Staff to ensure the provision of telecommunication services to customers requesting such
4 service who are either outside of a carrier's service area or are in a remote area of Arizona where
5 telecommunication services are not currently provided.

6 2. Telecommunication providers certified or otherwise approved by the Arizona
7 Corporation Commission to provide telecommunication services statewide whether facilities-
8 based, resellers, or a combination thereof.

9 3. Staff's experience with the policies, processes, factors considered, and methods
10 and standards applied in determining when a public utility provider has been providing service to
11 customer(s) in a discriminatory manner as the term "discriminatory" is defined and understood by
12 the Arizona Corporation Commission and Staff.

13 4. The policies, processes, factors considered, and methods and standards applied
14 when Staff makes a determination as to when a property is "contiguous" to a public utility
15 provider's service area as set forth in A.A.C. R14-2-502(B).
16

17 5. The development of, the purpose behind, practical application of, and penalties
18 assessed for violation, if any, under A.A.C. R14-2-502(B) for both monopoly (e.g. water) and
19 non-monopoly (e.g. telecommunication) public service providers.
20

21 6. The specific circumstances under which Staff believes that a monopoly and/or
22 non-monopoly public utility provider can provide service outside of its service territory
23

24 7. How the Arizona Corporation Commission does or would compensate a
25 telecommunication carrier for requiring that carrier to provide service outside of its service
26 territory.

1 8. The process, manner and standards applied by Staff and/or the Arizona
2 Corporation Commission for implementation of 47 U.S.C. § 214(e)(3) including, but not limited
3 to, the determination of which carrier or carriers (including wireline, wireless and satellite) are
4 best able to provide service to a requesting community, and the working definition of the terms
5 "unserved" and "community."

6 9. Staff's experience with the process and application of Arizona rules regarding the
7 Universal Service Fund ("USF"), including, but not limited to, the process for disbursement of
8 USF or AUSF funds and the purpose behind and issues being addressed in AUSF Docket No.
9 RT-00000H-97-137.

10
11 DATED this 22nd day of November 2002.

12
13
14 By  _____

15 Timothy Berg
16 Theresa Dwyer
17 Darcy Renfro
18 FENNEMORE CRAIG, P.C.
19 3003 N. Central Avenue, Suite 2600
20 Phoenix, Arizona 85012-2913

21 Mark Brown
22 QWEST CORPORATION
23 3033 N. 3rd Street
24 Phoenix, AZ 85012
25 Telephone (602) 630-1181

26 Attorneys for Qwest Corporation

Original + 15 copies filed this
22nd day of November, 2002:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, AZ

1 COPY delivered this 22nd day of November, 2002:

2 Christopher Kempley
3 Legal Division
4 ARIZONA CORPORATION COMMISSION
5 1200 West Washington
6 Phoenix, AZ

7 Ernest Johnson
8 Utilities Division
9 ARIZONA CORPORATION COMMISSION
10 1200 West Washington
11 Phoenix, AZ

12 Philip J. Dion III
13 Hearing Division
14 ARIZONA CORPORATION COMMISSION
15 1200 West Washington
16 Phoenix, AZ

17 David M. Ronald
18 Legal Division
19 ARIZONA CORPORATION COMMISSION
20 1200 West Washington
21 Phoenix, AZ

22 A copy of the foregoing
23 was mailed this 22nd day of
24 November, 2002, to:

25 Ernest and Sherry Thompson
26 P.O. Box 27016
Prescott Valley, AZ 86312

Troy and Tracy Denton
PO Box 26343
Prescott Valley, AZ 86312

Bryant and April Peters
PO Box 27302
Prescott Valley, AZ 86312

John J. and Patricia J. Martin
PO Box 25428
Prescott Valley, AZ 86312

Arnold and Tammy Fatheree
PO Box 26268
Prescott Valley, AZ 86312

26

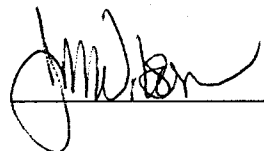
1 Tommy L. White
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8 ARIZONA REPORTING SERVICE
9 2627 N. Third Street, Suite 3
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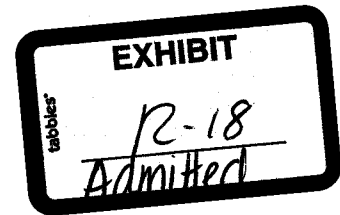
BEFORE THE ARIZONA CORPORATION COMMISSION

RESIDENTS OF PRESCOTT VALLEY,)
TRACY AND TROY DENTON, ET.AL.,)
Complainants,)

vs.

QWEST CORPORATION,

Respondent.



DOCKET NO.
T-01051B-02-0535

DEPOSITION OF DEL W. SMITH

Phoenix, Arizona
December 10, 2002

ARIZONA REPORTING SERVICE, INC.
Court Reporting

Suite Three
2627 North Third Street

Phoenix, Arizona 85004-1103

By: MARY BARRY, RPR, CRR

Prepared for:

Certified Court Reporter
Certificate No. 50260

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1 DEPOSITION OF DEL W. SMITH
2 was taken on December 10, 2002, commencing at
3 1:30 p.m., at the law offices of Fennemore Craig,
4 P.C., 3003 North Central Avenue, Suite 2600,
5 Phoenix, Arizona, before MARY BARRY, Certified
6 Court Reporter No. 50260 for the State of Arizona.

7 APPEARANCES:
8
9
10 For the Arizona Corporation Commission:
11
12 Ms. Maureen A. Scott, Messrs. David M. Ronald
13 and Gary H. Horton
14 Staff Attorneys, Legal Division
15 1200 West Washington Street
16 Phoenix, Arizona 85007

17 For the Respondent:
18
19 Mr. Mark E. Brown, Staff Attorney
20 Qwest Corporation
21 3033 North Third Street, Room 1010
22 Phoenix, Arizona 85012
23 and
24 FENNEMORE CRAIG, P.C.
25 By Ms. Darcy R. Renfro
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012-2913

ALSO PRESENT:
Richard L. Boyles

1 DEL W. SMITH,
2 called as a witness herein, having been first duly
3 sworn by the Certified Court Reporter to speak the
4 truth and nothing but the truth, was examined and
5 testified as follows:
6
7 EXAMINATION
8
9 Q. (BY MR. BROWN) Del, let's begin with an
10 explanation of this process and some basic
11 background questions for the record.
12 I will try to make my questions today as
13 clear as possible, and if there is anything that
14 you don't understand or you would like me to
15 restate, please let me know.
16 And take as much time as you need on any
17 particular questions. And if at anytime there is
18 something that I say that you don't understand,
19 please ask me to clarify.
20 A. Okay, I appreciate that.
21 Q. Now, I assume you have been given a copy of
22 a notice of deposition that was served on the Staff
23 in November?
24 A. Yes. I have got my notes written all over
25 it, but I think this is the one you are talking

1 about.
2 Q. Great.
3 And since you are here, I assume that you
4 are familiar with Commission policies and practices
5 and procedures related to the issues that were
6 identified in that deposition notice?
7 A. Well, I am not a policy witness, but I have
8 looked at these questions and I am prepared to give
9 you, you know, responses to those questions in
10 those areas, so...
11 Q. Understood.
12 If you could state your name for the
13 record.
14 A. Del W. Smith.
15 Q. And Del, how long have you worked for the
16 Arizona Corporation Commission?
17 A. I started with the Commission in November
18 of 1985. Long time. Well, I shouldn't say that.
19 MS. SCOTT: You can say that.
20 Q. (BY MR. BROWN) Started a good while ago?
21 A. Yes.
22 Q. What is your current position?
23 A. My current position is supervising engineer
24 in the Utilities Division.
25 Q. And in that capacity what are your

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1 responsibilities?

2 A. I supervise other engineers who work in

3 the Utilities Division. There is -- I am a

4 telephone engineer by background, and one other

5 telephone engineer, three electrical engineers,

6 and four water/wastewater engineers who work in

7 the group that I supervise.

8 Q. So you are considered the head engineer at

9 the Commission?

10 A. I guess you could say that. Actually the

11 head engineer would probably be a guy by the name

12 of Steve Olea, who is actually the assistant

13 director right now.

14 Q. Well, who do you report to?

15 A. I report to Steve Olea.

16 Q. Okay. So given your position and what you

17 have indicated about the deposition notice, are

18 you -- would it be fair to say that you are

19 personally involved in setting Commission policy

20 or making decisions about whether a utility should

21 be ordered to provide telecommunication services

22 to customers that are either outside their existing

23 service territory or in what might be considered an

24 open or unserved territory?

25 A. I guess I would answer that question this

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1 way: I would have input in the decisionmaking

2 process to come up with the Staff policy, but I

3 wouldn't be setting policy.

4 Q. And I assume your superior is also involved

5 in those types of issues?

6 A. Yes. Just if I could, just so it's clear,

7 the policy decisions would be made at the Director

8 level, which would include Steve and Steve's boss,

9 Ernest Johnson.

10 Q. Understood.

11 And also to be clear, I am referring to the

12 decisionmaking process of the Staff, not the

13 Commission --

14 A. Yes.

15 Q. -- which we recognize the Staff makes

16 recommendations to the Commission, and they make

17 their own decisions.

18 A. Right.

19 Q. I'd like to talk a little bit now about

20 what is commonly referred to as open or unserved

21 territories for telecommunications carriers. We

22 may also address more generically the Staff's

23 policy regarding open territory for any kind of

24 utility.

25 Could you provide us with a definition

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1 of, in your view, what constitutes open territory?

2 And just to clarify, I am looking for the

3 definition that you or other decisionmakers would

4 use in making a determination as part of your job

5 responsibilities in this area.

6 A. Okay. Well, first of all, Staff hasn't

7 at this point in time formulated a policy as to

8 what, how, you know, it would define open territory

9 or unserved areas. So, you know, I guess what I

10 would -- I can give you my definition as to what,

11 you know, I would think fit, that a reasonable

12 definition might be for an unserved area, and

13 that would be basically the, I think it's the

14 definition pretty much follows the definition that

15 the, I think it's the FCC uses in some of their

16 rulemaking proceedings. And that is an area

17 where, you know, facilities don't exist to serve

18 customers, and facilities would have to be

19 constructed to serve customers.

20 Q. Would that also include areas where no

21 carrier is currently providing service?

22 A. Right. I guess by carriers are you --

23 Q. A carrier, any carrier, is what I was

24 referring to.

25 A. Okay. A wireless carrier. I am thinking,

Page 9

1 I guess I am thinking more in terms of more of the

2 traditional wire line facility providers, CLECs,

3 ILECs, in terms of those facilities as opposed to,

4 you know, including the wireless carriers.

5 MS. SCOTT: Mark, I am sorry, could I ask

6 you to be a little more specific? For instance,

7 are you talking about an area within an ILEC's

8 exchange territory that isn't yet served, or are

9 you talking about an area outside of an ILEC's

10 exchange boundaries?

11 MR. BROWN: I am referring to an area

12 outside of an ILEC's or theoretically any other

13 carrier's designated service territory. I was

14 asking Mr. Smith the question of what the

15 Commission thought of as open territory. And so

16 I was kind of, I was leaving to him to define

17 specifically what the Commission viewed as being

18 open territory, and to the extent that your

19 clarification helps, that provides us with more

20 information.

21 THE WITNESS: And by -- I am sorry, Mark,

22 by Commission's view, the definition that I gave

23 you is my, you know, I think a definition that I

24 think is reasonable but, you know, once again,

25 Staff hasn't established its own definition, as

3 (Pages 6 to 9)

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Page 12

1 you know, I am sure. And the Commission hasn't,
2 as I recall, established a definition of unserved
3 areas, at least not with regards to -- well, wait
4 a minute, maybe I better back up.

5 I think maybe there might -- I am trying
6 to remember if any of our rules include the
7 definition of unserved areas. And I am thinking
8 specifically of the AUSF rules, and I don't
9 believe there are any definitions in our rules
10 now.

11 Q. (BY MR. BROWN) And we may, through the
12 course of the deposition, get into more issues
13 relating to definitions, but for the purpose of
14 this discussion I am merely looking for the
15 working definition that you and potentially
16 others utilize for your day-to-day work in this
17 area, not what might be the legal definition
18 that the Commission has adopted.

19 A. All right.

20 Q. In a similar vein, could you define for
21 me how Staff defines telecommunications services?

22 A. I guess for purposes of our AUSF fund, I
23 believe there is definitions included in those
24 rules for basic exchange telephone service. And
25 I think also there -- I think also there may be

1 far as a working definition that Staff would use
2 that you could, you know, include wireless
3 services. I think, you know, wireless service
4 could, you know, meet that list of criteria under
5 certain circumstances, like access to interexchange
6 carriers, access to DA, access to emergency
7 service, 911 service, dial tone, the local calling
8 area, I think under circumstances wire line service
9 could meet that definition.

10 Q. To be clear wire line or wireless?

11 A. Wireless. Did I say wire line? I am
12 sorry.

13 Q. Yes.

14 Focusing still on process, what process
15 does the ACC Staff use to investigate or verify
16 that in instances where you have received an
17 indication that telecommunication services are
18 not currently available to a customer, what
19 process do you use to determine whether or not
20 that customer actually has access to service?

21 A. The only process I guess that comes --
22 well, the process that we would use would be the
23 process that the consumer services section uses.
24 If someone calls in and has a question about a
25 service area, what will happen is that the

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Page 13

1 some, there might be, I am wanting to say that
2 there is a definition, possibly, in Qwest's
3 tariffs, and I am thinking particularly in their
4 service quality plan tariff as to what the
5 definition of basic local exchange service is.
6 So there is probably a couple different definitions
7 out there.

8 Just trying to think of definitions that
9 have been, you know, put in the rule or tariff or
10 whatever and, you know, in the definitions that I
11 am thinking of in regards to the AUSF rules, I
12 think pretty much follow the definition in the FCC
13 rules with regard to ETC status, so forth.

14 Q. To your understanding does that definition
15 include wireless services?

16 A. It could include wireless services,
17 although I think the definition was established
18 with, you know, land line type service in mind, not
19 wireless service.

20 Q. Is the working definition that you use in
21 terms of evaluating issues relating to either open
22 territory or unserved territories, does it
23 contemplate wireless services as well as wire line
24 services?

25 A. I think that -- yes, I think that for, as

1 consumer services specialist that takes the call
2 will, you know, contact the company. They, he or
3 she may contact someone in the engineering group
4 about, if there are specific questions about, if
5 service is provided in the area or isn't provided
6 in the area and what is available and stuff like
7 that. So it might in process might involve
8 discussions with someone like Richard or. I, you
9 know, once again contacting the company about also
10 looking at the tariff maps that are on file.

11 If the caller has a legal description, I
12 mean township, range, blah, blah, blah, section,
13 they can look at the map and determine whether or
14 not that is in or out, and the question, well,
15 you don't even have to ask them, they will say
16 my next door neighbor has it, why can't I get it.

17 So that is the process that would -- we
18 would typically go through, you know, when an
19 inquiry like that comes in. I don't know if you
20 can call it a complaint at that point, if the
21 people don't have service, but anyway...

22 Q. So as I understand, the focus is on an
23 investigation of the designated or -- the
24 designated service territory of whatever carrier
25 might be considered the incumbent in that area?

4 (Pages 10 to 13)

1 A. Well, for the example I gave you typically
2 these kinds of calls are people wanting, you know,
3 wire line service, and so it may not necessarily
4 be Qwest but it might be one of the other, you
5 know, incumbent local exchange carriers. And they
6 all have maps, we all keep maps on file for those.
7 We have maps on file for all of those carriers for
8 their service area, so...

9 Q. Mr. Smith, are you familiar with
10 Section 40-321 of the Arizona statutes? It
11 relates to power of the Arizona Corporation
12 Commission to determine adequacy of service that
13 is rendered by Qwest and other public service
14 corporations.

15 A. I probably read that many times, Mark,
16 but if you asked me what is that section and what
17 does it have to do with the statutes, I couldn't
18 tell you, you know, without you giving me a hand.
19 I may have read it on occasion.

20 Q. I just had a couple general questions
21 about it. I will provide you with a copy of it.
22 And again, these questions really relate more to
23 process than they do of the specifics of the
24 statute.

25 What I'd like to know is if the Commission

1 like service extensions that Qwest would undertake
2 and their rules that have to do with, you know, we
3 have rules for line extension policy and rules that
4 deal with, you know, advances in aid of
5 construction and that sort of stuff. We have those
6 rules.

7 But I don't know that those would be rules
8 that would apply to a carrier whose -- typically
9 to a carrier who would be extended service within
10 their service area. It's not specific to, you
11 know, necessarily to, you know, to areas outside
12 their service area, but certainly could apply if
13 they extended service beyond their service areas
14 to other customers, they would apply that tariff.

15 Q. Okay. Are you familiar with Qwest's
16 construction service tariff?

17 A. Yes, I am.

18 Q. Does Staff consider Qwest's construction
19 charges or construction service tariff to be
20 applicable for customers who request service
21 extensions from Qwest in the areas that are
22 outside our service area, our designated service
23 area?

24 A. I -- once again, and there hasn't been
25 policy about this, but it would be, you know, my

1 Staff has developed any, or the Commission itself
2 has developed any regulations in connection with
3 that statute to determine to regulate how carriers
4 extend service outside of their service area or in
5 remote or unserved areas?

6 A. Just in that, in the context of unserved
7 areas do we have --

8 I am sorry, could you repeat the question
9 one more time? I will make sure.

10 I mean are you specifically looking for
11 regulations or procedures that have to do with
12 extending service in an unserved -- to an unserved
13 area, however you define that?

14 Q. If I could clarify. That statute focuses
15 on the Commission's authority to require public
16 service corporations to take certain actions if
17 essentially the Commission deems it to be
18 necessary.

19 A. Okay.

20 Q. I am asking you in relation to extensions
21 of service, has the Staff, to your knowledge, or
22 the Commission, developed any regulations, rules,
23 guidelines, practices, policies, to implement the
24 provisions of that statute?

25 A. Well, to the extent that it would involve

1 position that your tariff would apply to extensions
2 within, and to the extent that you were extending
3 service, say, to a contiguous property outside
4 your service area, that that tariff could apply if
5 you, you know, were to expand your service area,
6 could you apply that tariff. And in other words I
7 would think it would apply to any extension that
8 you would make.

9 Q. What if the extension was involuntary,
10 in other words, it was an extension that was
11 required by the Commission as opposed to a
12 voluntary extension?

13 A. I don't think that would make any
14 difference.

15 Q. In that situation if a customer did not
16 agree to pay our construction charges as indicated
17 in the tariff, would Staff view it as reasonable
18 that we would deny service?

19 A. Yes.

20 Q. I want to refer you, Mr. Smith, to another
21 section of the Arizona Administrative Code. It's
22 R14-2-506, and it relates to construction
23 agreements. I will provide you a copy, but I
24 assume you are somewhat familiar with this?

25 A. Yes. I have read it a few times.

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1 Q. Take your time and take a look at that.

2 A. These are the rules I was thinking of when
3 we started.

4 (Brief pause.)

5 THE WITNESS: Okay. That helped refresh my
6 memory, thank you.

7 Q. (BY MR. BROWN) In general terms what do
8 you believe is the purpose of that rule?

9 A. Lays out basically the terms and conditions
10 under which a utility would extend service to new
11 unserved areas, if you will.

12 Q. In your view would the Staff agree that
13 the policy behind 14-2-506, the statute we are
14 looking at, is to avoid having ratepayers pay the
15 cost of extensions in circumstances where they
16 would not generate sufficient revenue to offset
17 the construction costs?

18 A. That, and to take the risk off of the
19 utility in the case of subdivisions where, you
20 know, the demand is unknown, and you want to
21 build it out up front because it's more efficient,
22 and you don't want the company spending all the
23 money and then it never develops and the facilities
24 are never used.

25 Q. So certain requirements in that rule such

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1 as deposits and things of that nature relate to
2 enhancing that policy?

3 A. Right. And it's also -- there is the
4 information that, the flip side of the coin is
5 the information that the company has to provide
6 about how the costs were estimated, and the
7 customers can be assured that they are not paying
8 for someone else's facilities or service, yes.

9 Q. Now, that policy reflected in that statute,
10 in relation to that does Staff believe that it is,
11 or is it Staff's position that it's good policy
12 for ratepayers as a whole not to be burdened with
13 the construction costs that won't generate
14 sufficient revenues to pay for themselves or to
15 pay for itself, the particular construction costs
16 and provision of service to a particular customer?

17 A. Well, I don't know if I would agree to
18 everything you said, but I think it's so that the
19 general body of ratepayers are not overburdened.
20 If the guy wanted to live at the bottom of the
21 canyon or the top of a hill and it costs \$100,000
22 to extend facilities to serve that individual, you
23 know, to have the general body of ratepayers absorb
24 all those costs and he gets service for free, that
25 is not reasonable.

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1 Q. Now, in situations where Staff would be
2 faced with a situation where there were costs for
3 construction of extensions outside of Qwest's or
4 another local provider's service area, is it
5 Staff's position that recruitment of those
6 construction costs could or would be available
7 from the Arizona Universal Service Fund?

8 A. Well, I guess the company could make
9 application, the Commission could determine under
10 the rules that maybe some sort of AUSF support
11 might be warranted, under a given circumstance and
12 that company may have facilities that were part of
13 the mix in establishing rate base that he
14 ultimately gets some AUSF support.

15 I guess what I am trying to say is there
16 are no specific provisions in the rule as they
17 stand today to provide advances in aid of
18 construction or to assist in constructing
19 facilities in unserved areas.

20 Q. Would your position be the same if the
21 Commission required the extension of service, as
22 opposed to it being a voluntary extension of
23 service?

24 A. I am wanting to answer the question by
25 saying it would be the same, but I -- if you

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1 could maybe repeat the question just to make sure
2 I am clear.

3 Q. We were talking about situations where a
4 carrier makes, for whatever reason, an extension
5 of service outside of its previously designated
6 or certificated service area. And I had asked
7 whether or not it was Staff's position that
8 construction and other related costs to that
9 extension were recoverable under the terms of the
10 Arizona Universal Service Fund.

11 I was asking for Staff's position on that,
12 and you gave me what you believed to be Staff's
13 position, and then I asked whether or not that
14 was -- your position would remain the same if the
15 extension was or the extension of service was
16 involuntary as opposed to being an extension that
17 the company made on its own.

18 MS. SCOTT: Can I interject something at
19 this point? Because I don't recall him saying
20 specifically what you just repeated. I thought
21 he had said that there were no specific provisions
22 in the rules at this point with respect to an
23 advance in aid of construction, but that the
24 Commission might determine to either waive the
25 rules or grant relief in some cases depending upon

6 (Pages 18 to 21)

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1 the circumstances.

2 Was that closer to what you said, Del? I
3 am trying to clarify it for purposes of his next
4 question.

5 Q. (BY MR. BROWN) And to be clear, the real
6 focus of my question is whether there would be any
7 different treatment or different view from the
8 Commission Staff's perspective of the situation,
9 i.e., the ability of a carrier to recoup those
10 costs if it was an extension that was required
11 by the Staff or by the Commission itself, as
12 opposed to a voluntary decision that a company made
13 to provide service to X customer outside its
14 service territory area.

15 A. Well, I guess it would probably depend on
16 the circumstances of the case if it were a
17 voluntary extension. I wouldn't -- I can envision
18 some circumstances where if a company were to
19 extend service in violation of the Commission
20 rules, or if a company had a certificate and they
21 didn't, you know, notify or come in for an
22 extension in their certificate, there may be
23 some issues about, you know, how that plant would
24 be treated, if it were determined that the
25 extension was not in compliance with the rules

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1 and regulations as reasonable, there could be some
2 exceptions, but I want to answer generally, you
3 know, I think, I think there wouldn't be a
4 difference.

5 Q. And your answer has been helpful, and as
6 I understand it from what you have indicated and
7 from what Maureen Scott has indicated, the
8 Commission does not have a defined policy
9 regarding that situation at present?

10 A. That is correct.

11 Q. Is that a fair statement?

12 MS. SCOTT: Well, this is your witness
13 right here.

14 Q. (BY MR. BROWN) That was my understanding
15 of what you said.

16 A. And once again, you know, there has not
17 been formal policy, if you will, in what I am
18 telling you, I guess is my experience in the way
19 we have operated around there. I think that that
20 is a reasonable description of what our position
21 would be.

22 Q. Given what has been said, in a situation
23 where those types of costs are incurred by a
24 carrier, would you agree that those costs should
25 be explicit, and by explicit I mean that they

Page 24

1 should be transparent to the public, that the
2 costs that a carrier incurs in making that type
3 of extension should not be buried, for lack of a
4 better term, in the rate base of that company?

5 A. I don't know that, once again, that there
6 is any specific policy, but I am not, I am not
7 aware of a situation where once again if an
8 extension had been made to serve a new area and
9 where the carrier complied with all the rules
10 and got the appropriate approvals, that there
11 would necessarily be any different treatment for
12 those facilities to extend in what was an unserved
13 area versus, you know, the rest of their -- if I
14 understand the question, had special treatment of
15 the costs associated with the service to an
16 unserved extension of facilities to serve an
17 unserved area versus any other area, the rest of
18 the area that the company serves within its service
19 area, within its CCN.

20 Q. To be clear, costs that a carrier incurs in
21 its general certificated service area are reviewed
22 by the Commission, filed with the Commission, and
23 evaluated by the Commission.

24 My question referred to a situation where
25 the carrier was required by the Commission to

Page 25

1 extend service outside of its designated or its
2 certificated service area, and my question referred
3 to or asked whether or not it was Staff's view
4 that the costs associated with that type of
5 extension under those circumstances would be or
6 should be explicit. And by explicit, again I
7 mean separately designated and recoverable as
8 opposed to merely becoming part of that company's
9 cost of doing business or being subsumed in its
10 rate base.

11 A. Well, yeah, once again, there is no
12 specific policy that has been established with
13 regards to those types of extensions.

14 Q. So would it be fair to say from the
15 Staff's standpoint at this time the cost recovery
16 treatment of those types of extensions is an open
17 question, there is no policy in that area?

18 A. Well, we would be the same treatment as
19 for any other extensions of facilities.

20 Q. In the telecommunications area are you
21 aware of any circumstances in which the Staff has
22 ordered an incumbent local exchange carrier to
23 provide service outside of its designated service
24 territory?

25 MS. SCOTT: I am sorry, Mark, did you say

7 (Pages 22 to 25)

Page 26

1 the Staff or the Commission?
 2 Q. (BY MR. BROWN) The Commission, excuse me.
 3 MS. SCOTT: The Commission.
 4 THE WITNESS: I know there have been some
 5 extensions in the past that -- I am thinking of
 6 one in particular that involved U S WEST years
 7 ago, and I think it had to do with the Williamson
 8 Valley area, and I think there was a specific
 9 Commission decision that adopted a settlement
 10 agreement, if you will, between Staff and the
 11 company about service being extended into the
 12 Williamson Valley area, and there was a Commission
 13 decision regarding that that was issued.
 14 There has been other Commission decisions
 15 that have been issued approving extensions of
 16 Qwest's area, you know, their service area to
 17 include new areas, decisions that have approved.
 18 I don't know that there has been decisions issued
 19 other than, you know, Williamson Valley that
 20 required Qwest or any other service provider to
 21 serve a new area. It was either voluntary or done
 22 through a settlement agreement. I don't recall
 23 any.
 24 Hopefully that is the way we answered the
 25 question in the data request, too; I think it is.

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1 Q. I will have to check. I am not certain.
 2 A. I should have gone back and read those
 3 answers.
 4 Q. But to your knowledge that is the only
 5 circumstance that you are aware of?
 6 A. That is the one that comes to mind. I
 7 think it involved a dispute about service area.
 8 And there was one other one, but I can't remember
 9 if there was a specific Commission decision or
 10 if it was, if it was just voluntarily done by
 11 the company after lengthy discussions with Staff.
 12 But there has certainly been other areas where
 13 extensions have been made, okay, after discussions
 14 with Staff.
 15 The thing that I am having a problem with
 16 is whether there were specific Commission decisions
 17 issued in conjunction. Williamson Valley is one
 18 that was -- that also involved I think an
 19 extension, as I recall, of the company's service
 20 area, and I am just not sure whether it was a
 21 Commission decision. I think it was more of a
 22 voluntary action on the company's part and
 23 discussions with Staff, you know.
 24 Q. To your knowledge has that type of
 25 resolution been reached with carriers other

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1 than Qwest, and to be clear, that has led to
 2 an extension of service beyond the previously
 3 designated service territory area?
 4 A. Most of the cases that I recall have
 5 involved Qwest. I can't recall any other
 6 companies where there has been issues regarding
 7 them extending to an area that was outside their
 8 established service area boundary. Most of it
 9 is, all the ones that I can remember, is Qwest,
 10 U S WEST.
 11 Q. To your recollection had any of those type
 12 of service extension situations arisen since the
 13 passage of the federal act and the related Arizona
 14 local competition rules?
 15 A. Okay, extensions where there has
 16 been, where Qwest has voluntarily extended its
 17 service area boundaries or otherwise?
 18 Q. To be clear I wouldn't designate it as
 19 voluntary or involuntary, at least the situations
 20 you were talking about, as I heard you describe
 21 it, those are situations in which there was a
 22 discussion between Staff, and in this instance
 23 Qwest, and there was a decision made for whatever
 24 reason to change the maps and to extend service.
 25 What I was referring to was in how many

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1 of those situations, either with any carrier,
 2 Qwest or any other, had occurred since the passage
 3 of the '96 act and related Arizona rules?
 4 A. I know there have been -- let me answer it
 5 this way: There have been, I think it's fair to
 6 say numerous -- well there have been more than one
 7 additions to Qwest's service area maps since the
 8 '96 Telecom Act.
 9 In other words, let me put it this way,
 10 there have been maps filed with the Commission and
 11 inserted in the tariff that added new sections to
 12 Qwest's service area.
 13 Q. Understood.
 14 A. Just in the 1995 time frame Qwest had --
 15 there was a major rate case, Qwest had filed with
 16 the Commission to eliminate or downsize some of
 17 its exchanges, and basically reduced the size of
 18 some of its -- it was primarily more rural
 19 exchanges around the state. And the filing
 20 was made basically by, as I recall, by Qwest to,
 21 you know, eliminate these areas where it didn't
 22 have service, it didn't have any facilities,
 23 any request for service. I mean it was just,
 24 you know, there wasn't any known demand or known
 25 demand in the immediate future for telephone

8 (Pages 26 to 29)

1 service, and they came in and filed all these maps,
2 these areas out.

3 There have been a lot of filings made by
4 the company since that time to add back in areas
5 where the company discovered that it actually did
6 have facilities and service, okay? And there has
7 been quite a few filings of that type made, but
8 then there have been also filings made to add new
9 areas, primarily in the Phoenix metropolitan
10 exchange to add new areas to, you know, to the
11 maps.

12 Q. Understood. And that is very helpful
13 information.

14 I was specifically referring to situations
15 where because of a request by a customer or a
16 group of customers, potentially, and after
17 discussions with Staff, there was a service
18 extension, not situations where Qwest or another
19 company was either selling exchanges or
20 voluntarily making a service extension or change
21 or refiling their maps.

22 A. Well, the reason why I went into the
23 discussion of the other is because there has been
24 numerous filings by the company, if you will,
25 call them compliance filings, but actually in --

1 Q. Why don't you take a look at that, please.

2 A. Okay.

3 (Brief pause.)

4 Q. (BY MR. BROWN) Mr. Smith, I have shared
5 you with a copy of a portion of the Commission's
6 website which discusses the Arizona Universal
7 Service Fund and some information related to
8 frequently asked questions for customers.

9 Do you recall that?

10 A. Uh-huh, yes.

11 Q. And if you will look at the question that
12 indicates, how can the Arizona Universal Service
13 Fund help carriers and customers.

14 Do you see that?

15 A. Yes.

16 Q. And if you will note, there is a discussion
17 in that paragraph, it indicates that there are
18 some areas where costs to extend lines to customers
19 are so expensive that a carrier cannot serve
20 customers in that area and in those areas.

21 Do you see that?

22 A. Uh-huh.

23 Q. And the website goes on to say that after
24 the Commission makes certain rule revisions that
25 the Arizona Universal Service Fund may be used to

1 and I understand your question really goes to the
2 issue of an area where people wanted service, and
3 the one that I recall has been made in roughly
4 that time frame, there was significant area added
5 around the Rio Verde area in north Phoenix where
6 the company extended its service area boundaries to
7 include these new areas.

8 Now, whether it was because people there
9 were -- some of it was probably a combination,
10 people wanted service and maybe the company
11 discovered it already had service there and
12 facilities there, so it had, you know,
13 inadvertently left it out and then added it back
14 in.

15 But there has been a combination of that
16 stuff that has gone on, and I think some of that
17 was right, you know, has been, my recollection is
18 it's been done since, since the -- since 1996, let
19 me put it that way.

20 Q. I want to share with you a copy of some
21 information that was printed off the Arizona
22 Corporation Commission's website. It's the section
23 that relates to the Arizona Universal Service Fund
24 and frequently asked questions.

25 A. Uh-huh.

1 fund line extension costs.

2 Do you see that reference?

3 A. Yes, I do.

4 Q. Are you aware of specific circumstances or
5 areas where such a situation exists currently in
6 Arizona?

7 A. Areas where -- that are unserved, there
8 are no facilities and their customers are wanting
9 service?

10 Q. Yes.

11 A. I know back when we originally started the
12 rule investigation back in '97 there were, I am
13 wanting to say a dozen or so areas that were
14 identified around the state where there were
15 groups of applicants who wanted service where there
16 were no existing facilities or service wasn't
17 provided to anyone within this group of
18 applicants. Like I say, I am wanting to say
19 roughly a dozen in these areas.

20 And so I assume that, you know, this
21 language here may be referring to, you know, to
22 some of those areas and those types of pockets
23 around the state, you know, but where there was
24 not anyone providing service, period.

25 Q. To your knowledge is the Prescott Valley

1 area one of those areas that was designated at that
2 time?

3 A. Well, there may have been areas, in fact I
4 think there were a couple of areas that were
5 identified in the vicinity of the Prescott Valley,
6 Prescott area, within that general vicinity, you
7 know, that had, some of them I think have since
8 been served, you know, by other carriers, you know,
9 Midvale or Tabletop Telephone Company.

10 But to answer the question there were some
11 of these, as I recall, some of these unserved
12 areas that were identified, there were at least
13 one or two of them that were in that Prescott
14 area.

15 Q. So if the Commission's rules in this area
16 are amended or modified in the way that is
17 described on the website, would those areas
18 around Prescott Valley be eligible for, in
19 Staff's view, for receipt of universal service
20 funding?

21 A. Well, at the time that we were looking
22 at the rules back in '97, and I think some of
23 this language right here is a carryover from that,
24 there was work being done to amend the rules to
25 attempt to provide some incentive to carriers to,

1 you know, provide service in these areas where,
2 you know, once again, there was no existing service
3 provided by anyone, no facilities, nothing else,
4 there were, you know, these pockets.

5 And, you know, the current rules, you folks
6 had attached to your comments, when we got it
7 started again addressed or raised the issue whether
8 or not once again we wanted comments on whether or
9 not the rules ought to be amended to include a
10 provision for, you know, addressing this unserved
11 area issue.

12 So I think the -- assuming those rule
13 changes come about and, you know, there may be
14 at some point in the future some, you know,
15 assistance that might be provided for unserved
16 areas in the state by the AUSF rules.

17 I am sorry, I forgot your original
18 question. Was that your question, did I catch
19 it?

20 Q. Yes, that was an answer.

21 A. Okay. It's out there in the future
22 somewhere, possibly.

23 Q. Before we take a break, I want to ask you
24 a couple more questions regarding a different
25 area.

1 You are aware that certain carriers in
2 the state have received certificates to provide
3 service on a statewide basis, is that correct?

4 A. Yes.

5 Q. Are you familiar with particular carriers
6 that have received that type of authority?

7 A. I assume you were referring to several
8 CLECs. I couldn't tell you AT&T, MCI, but I know
9 there are several of them. It may be that AT&T is
10 one of them.

11 Q. So based on the certificates those
12 carriers have received, they have legal authority
13 to provide service in all areas of the state
14 including Prescott Valley, is that correct?

15 A. Well, I don't think the Commission has
16 determined whether or not -- whether they would
17 have that under their current certificate or not.
18 There has been no Commission ruling regarding
19 that.

20 Q. Is that because even though they have a
21 statewide certificate, there are geographical
22 restrictions placed on their certificate?

23 A. No. This would have to do with the
24 nature of their certificate, their CLEC. In
25 other words, they are providing competitive

1 services, services in competition with an
2 incumbent carrier, primarily Qwest in the
3 metropolitan area.

4 Q. To be clear we are talking about local
5 exchange service?

6 A. Yes.

7 Q. We are talking about carriers who provide
8 local exchange service who have received a
9 statewide authorization to provide that service,
10 correct?

11 A. In competition with, they were providing a
12 competitive service.

13 Q. I am not clear the distinction you are
14 drawing. Are you saying that they have a
15 statewide certificate, but they have adopted
16 Qwest's service territory or some incumbent
17 service territory?

18 A. Well, I guess I am not aware of the
19 Commission having issued an order or having, I
20 guess, taken some specific action with regards
21 to a CLEC service provider who was providing,
22 you know, services in an area where there isn't
23 another service provider, i.e., an unserved
24 area.

25 Q. Understood.

1 And my question related to whether a
2 carrier that had been granted a certificate
3 throughout the state was, in Staff's view,
4 entitled to provide service consistent with that
5 grant in any part of the state.

6 A. Well, I guess once again --

7 Q. To be clear, I am unclear as to the
8 limitation that you are saying is placed on them
9 if they have a statewide certificate.

10 A. Well, I guess what I am saying is they
11 have a statewide certificate, and they have a
12 statewide certificate that allows them to provide
13 services in competition with, you know, an ILEC,
14 if you will. And they have flexibility in their
15 rates and the rates that they charge that you
16 don't see in the typical ILEC tariff.

17 So I guess what I am trying to say is
18 that if they were extending service and providing
19 service in unserved areas, then are they a CLEC.
20 And I am just -- there has not been any policy
21 established regarding that, and I don't -- you
22 know, I know there has been a lot of discussions
23 about how there is all these other carriers out
24 there who have statewide authorization, but what
25 does that really mean, I don't know. I mean we

1 all know that they are providing, the facilities
2 based carriers are providing service in the
3 metropolitan areas and in competition with, you
4 know, with Qwest, you know, and that is about the
5 extent of it for rural service.

6 So, yeah, they have a statewide
7 certificate, but I don't know, you know, exactly
8 what that means. It's a statewide CLEC
9 certificate.

10 So I guess in theory they could go
11 anywhere where there was an incumbent, there
12 wouldn't be any question that they are providing
13 services in competition with other providers, or
14 that is the case.

15 Q. So in Staff's view a company that has a
16 statewide certificate to provide service, whether
17 it's a CLEC or an ILEC, cannot provide service in
18 unserved areas unless it has Commission approval in
19 all areas of the state?

20 A. Well, you know, once again it isn't clear
21 to me, once again, that if, you know, if a carrier
22 has their CLEC and they have the statewide
23 authority, that they would go out and start
24 providing their services, okay, with, you know,
25 their pricing flexibility in these unserved areas

1 if there is a need for them to, you know, to have
2 some other certificate or to have some other I
3 guess, if you will, they need, their rates would
4 need to be maybe fixed rates similar to what the
5 ILECs have as opposed to having this rate
6 flexibility.

7 And I am talking in terms of POT service.
8 We know the incumbents have pricing flexibility on
9 some of the services as well. But their services
10 in their CCN gives them that pricing flexibility
11 for POT service.

12 Q. Understood.

13 And I am really talking about a different
14 issue, which is putting aside for a second the
15 amount of rate flexibility that such a company
16 would have.

17 My question really is in a situation where
18 a company has a statewide certificate, in other
19 words, they have expressed their intention to
20 provide service on a statewide basis, that is
21 what I understand a statewide certificate to mean.
22 In those types of situations is it Staff's
23 position that if that company so desires, it cannot
24 provide service in unserved areas unless it has
25 the Commission's permission?

1 A. Staff hasn't taken that position.

2 Q. Does the Staff or has the Staff received
3 notifications from CLECs in Arizona in
4 circumstances where they were, CLECs have extended
5 their service area outside of their certificated
6 area, whether it's statewide or less than
7 statewide? Focusing on notice now.

8 A. I am not aware of any notice that Staff
9 has received, in other words, where a CLEC has
10 gone into an unserved area or an area that is not
11 within an ILEC's service area or certificated
12 service area, notification that they are serving
13 that, I am not aware of that.

14 Q. If there is any change in their service
15 area, their certificated service area, such a
16 carrier is required to provide notice to the
17 Commission, is that correct, or is that Staff's
18 position?

19 A. Notice if they are providing service in
20 an area that was unserved, would they have to
21 give notice to the Commission? I don't know that
22 there is that requirement that they give that
23 notice.

24 Q. Okay.

25 A. I mean if you want to show me that there

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1 is a notice requirement, I wouldn't, you know...

2 Q. I am just asking as a policy person
3 involved in the policy process for Staff, whether
4 it was your understanding that that type of notice
5 was required to be provided in that circumstance,
6 that was my question.

7 A. I don't recall that specific noticing
8 requirement. I know that they are required to
9 notice us when they start providing service, I
10 think it is, you know, but I don't know that
11 there is a noticing beyond that --

12 Q. Okay.

13 A. -- when they go into new areas and stuff.

14 Q. And to be clear, we are talking about two
15 different situations. One situation that you just
16 provided an answer for, which is the situation
17 relating to unserved territories, and is that also
18 true where there is a service extension by a CLEC
19 in a territory that might be served but is outside
20 of their previously designated service area? Do
21 they have a notice requirement in that instance?

22 A. I am not aware of one.

23 MR. BROWN: Okay. Why don't we take a
24 quick break.

25 (A recess ensued.)

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1 Q. (BY MR. BROWN) Before we go on to another
2 topic, I want to ask you one more question about
3 the area we were discussing previously, relating
4 to certificated service areas and things of that
5 nature. So then I am sure that I understand your
6 earlier answers, I want to ask you about another
7 situation.

8 In a situation where a CLEC, in getting
9 its certificate, has adopted Qwest's service
10 territory, would it be Staff's position that that
11 CLEC had the same obligations with regard to
12 serving any unserved territory adjacent to or
13 near Qwest's, that territory in that instance
14 would be the same as Qwest's?

15 A. When you say obligation, what do you mean
16 obligation?

17 Q. To the extent Qwest had any obligation to
18 serve adjacent territories or unserved territories
19 adjacent to its designated service territory,
20 would the same obligation be applicable to a CLEC
21 that had adopted Qwest's service territory as its
22 own?

23 A. I don't think that the CLECs are under the
24 same obligation with regards to where their, you
25 know, if it's a facility-based provider, where they

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1 would have an obligation to provide their services,
2 you know.

3 So I don't -- in other words, I don't know
4 that, in that example that you gave where a CLEC
5 has a CCN that coincides with Qwest's service area,
6 some of them I think are in metro areas, that that
7 necessarily means that they are, have to have their
8 service available everywhere in those metropolitan
9 areas. I mean if I -- you know, that is why I was
10 wondering what you meant by obligation.

11 Q. I think my question was a little
12 different. I was asking whether metropolitan or
13 not metropolitan, in an area where or in a
14 circumstance where a CLEC has adopted Qwest's
15 service territory, service maps as its own --
16 and it's my understanding that there are
17 circumstances in which CLECs have done that in
18 Arizona -- are any obligations from Staff's
19 perspective, are any obligations that Qwest might
20 have to provide service to previously unserved
21 territories that are adjacent to Qwest's territory,
22 are those same obligations applicable to a carrier
23 that has adopted Qwest's service territory as its
24 own?

25 A. I don't think there would be the same

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1 obligations with regards to them being required to
2 provide service in that adjacent area that was
3 previously unserved.

4 MS. SCOTT: And could I just clarify
5 something, Mark? I am sorry.

6 And you are talking about with respect to a
7 policy perspective, not a legal interpretation of
8 what the obligation of a CLEC versus an ILEC would
9 be?

10 MR. BROWN: That is correct.

11 Q. (BY MR. BROWN) What I am looking for, my
12 question is focused on what is Staff's view, which
13 I think relates to the process Staff goes through
14 in evaluating these kinds of issues in determining
15 whether or not a carrier that has adopted Qwest's
16 service territory has obligations similar to those
17 that Qwest has in a particular situation.

18 If I understood you correctly, you said
19 that it was your understanding of Staff's position
20 that that carrier who would adopt Qwest's service
21 territory may not have the same obligation to serve
22 an adjacent unserved area?

23 A. Right. I don't think -- well, there is no
24 obligation that I am aware of placed on the CLECs
25 with regards to where they serve within their

12 (Pages 42 to 45)

1 service area, whether they are providing service
2 throughout that service area or, you know, that may
3 be carrier of last resort obligations, that are
4 typically placed on Qwest.

5 Q. And again to be clear, we are not talking
6 about within Qwest's service area, we are talking
7 about outside of Qwest's service area?

8 A. Right.

9 Q. Which in this instance is also outside the
10 service area of the CLEC that has adopted Qwest's
11 service area?

12 A. And as far as, you know, and once again
13 there is no -- I am not aware of any obligations
14 that have -- would be placed on the CLEC to
15 provide services throughout, you know, their --
16 what is granted as their certificate, you know,
17 certificated area. And to the extent that that,
18 you know, evolves to include a new area that
19 Qwest has added, you know, they have no obligation
20 to serve that new area.

21 Q. To be clear, because I want to make sure
22 that we are talking about the same thing, I am
23 talking about a situation which -- let's assume
24 that Qwest was ordered to provide service outside
25 of its certificated area, and there is another

1 company that has adopted the same certificated area
2 that Qwest has.

3 A. Uh-huh.

4 Q. Could that company be ordered also to
5 provide service outside of its area?

6 A. Well, I guess, you know, I want to be
7 careful, but I mean, I mean it could be ordered.

8 Q. I am not asking for a legal conclusion,
9 so to clarify, are there any factors or would
10 there be any basis in Staff's mind for treating
11 that company different than it was treating Qwest
12 in that instance?

13 A. I think so. Because once again, I think
14 the CLEC is providing services, you know,
15 competitive services, and, you know, if -- I
16 guess it goes back to if I don't like the service
17 that the CLEC is providing, I can probably get
18 service from Qwest, you know, most circumstances.
19 If I don't like the service that Qwest is
20 providing, there may not be any other CLECs or may
21 not be any CLECs that are offering service in the
22 area where I am at.

23 Q. If the CLEC is competing with Qwest, isn't
24 it true that Qwest is competing with the CLEC?

25 A. Yes.

1 Q. Is Qwest offering a competitive service?

2 A. There are rules that would allow for Qwest
3 services to be classified as competitive services.

4 Q. I am asking a more basic question. Does
5 Qwest service in that instance face competition?

6 A. Where the CLECs are providing services and
7 they are providing services in competition with
8 Qwest and Qwest is providing service in competition
9 with the CLECs?

10 Q. And that is precisely the situation we are
11 talking about. Talking about a situation where a
12 CLEC is competing in an area with Qwest, and Qwest
13 is providing, also providing service in that area,
14 and Qwest is for whatever reason ordered by the
15 Commission in that area to extend its service to
16 provide service to, in this case, residential
17 consumers who are outside of Qwest's previously
18 designated service area. My question was in that
19 instance.

20 A. Is there any obligation on a CLEC to serve
21 that area?

22 Q. Is there, yes, if you can answer that
23 question first, please.

24 A. No.

25 Q. And to be clear, the basis for drawing a

1 distinction between Qwest's obligation to serve
2 in that area and the CLEC's obligation to serve
3 the previously unserved customers in that area is
4 what?

5 A. Well, I mean the CLEC may or may not have
6 any facilities in that area serving that area, I
7 guess is the case.

8 Q. Let's assume facilities-based competition.

9 A. Okay.

10 Q. We are not talking resale here, we are
11 talking facilities-based competition.

12 A. Well, I am talking in terms of the
13 situation like we have today with this complaint
14 in this area, you know, we know that there are
15 CLECs out there who have certificates that mirror
16 your service area, and I guess if the question was
17 if the Commission were to, you know, to require
18 Qwest to extend its boundaries to include this
19 area that is in question, would there be some
20 obligation placed on the CLECs who mirror your CCN
21 to serve that area. I don't think so.

22 Q. Okay.

23 A. You know, if you want to look out in the
24 future when true competition and there is true
25 facilities-based competition, meaning they are not

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1 buying UNEs, but they have their own network
2 facilities and been classified as competitive,
3 would that, you know, then would one carrier be
4 obligated to do something that another one would
5 not be obligated to do, my guess would be that
6 probably wouldn't be fair.

7 Q. Understood. Just one final question.

8 So in your view any obligation to serve
9 that is imposed on a carrier to enter previously
10 unserved areas that are adjacent to it's designated
11 service area, are imposed or have nothing to do
12 with what is that carrier's stated or designated
13 service area, has to do with whether that carrier
14 has facilities in that area, period?

15 A. Well, it -- and maybe whether those
16 services that are offered in that area by the
17 carriers who are offering those services, they
18 have all been determined to be competitive.

19 Q. Okay. Now, let's explore a different
20 topic. I'd like to talk a little bit about
21 circumstances where the Staff must determine or
22 make recommendations to the Commission regarding
23 whether or not a carrier, whether it's a telecom
24 carrier or some other kind of utility, is treating
25 a customer in a discriminatory manner, in other

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1 words, not treating similarly situated customers
2 in the same way.

3 Are you familiar with -- my understanding
4 is you would deal with those types of issues?

5 A. Yes.

6 Q. And so you are familiar with the factors
7 and the processes that Staff, if not you
8 personally, that the Staff would be involved in
9 in attempting to either make that type of
10 determination or make a recommendation regarding
11 that type of determination?

12 A. Well, once again, there haven't been
13 policies and procedures established regarding the
14 issue.

15 MS. SCOTT: We would object to the extent
16 that you are asking him for a legal conclusion.
17 To the extent that you are asking him from a policy
18 perspective, again, that is fine, but he isn't an
19 attorney and he is not being offered as one, so if
20 you are asking him for a legal conclusion, we would
21 object to that.

22 Q. (BY MR. BROWN) And I am not. To clarify
23 my question, Mr. Smith, my understanding is that
24 the Commission is faced not just in a
25 telecommunications context, but with regard to

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1 utility operations generally with evaluating
2 situations where customers indicate or claim
3 that they have been discriminated against by a
4 utility.

5 A. Uh-huh.

6 Q. My questions are focusing on the factors
7 that the Commission Staff utilizes to make
8 determinations if that is the case or not.

9 A. Okay.

10 Q. In your day-to-day job, not as a legal
11 conclusion, but in your day-to-day job, what
12 types of things do you or others look at to
13 determine whether or not what the customer has
14 said is true, i.e., there is some discrimination
15 going on here. That is the focus of my question.

16 Toward that end, I believe I had asked
17 or I would like to ask what is the basis on which,
18 in general terms what factors do you look at to
19 determine whether or not a customer is similarly
20 situated with another customer?

21 A. Well, once again, there is not an
22 established set of criteria that we look at.
23 Staff hasn't, you know, established this, you
24 know, specific procedure or policy.

25 But I guess one of the things that you

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1 would look at would be the, you know, whether or
2 not, you know, the customers are similarly
3 situated with regards to their location, similarly
4 situated with regards to the facilities that are
5 necessary to provide service. Those two come to
6 mind right away. I am sure there are others.

7 Q. And this is a general question, can apply
8 beyond a telecommunications carrier.

9 Let's assume a situation where a utility
10 has extended its service for whatever reason
11 beyond its certificated boundaries and in one
12 specific location. What factors or criteria does
13 Staff use in that instance to determine what
14 customers in that situation are similarly
15 situated to the customer that receives service,
16 the recipient of the extension? Is it the same
17 factors that you set forth previously?

18 A. I think so. And I guess another factor
19 that comes to mind that you might look at is just
20 to whether or not there was discrimination as to
21 what kinds of extensions would be allowed under
22 the rules that -- and I am thinking in terms of
23 the company can extend to properties that are
24 contiguous to its service area per the Commission
25 rule, and as long as they notify the Commission

14 (Pages 50 to 53)

1 that they have made this extension, you know,
2 and then they don't have to, if they have a CCN,
3 extend their CCN, or in the case of Qwest, you
4 know, necessarily have to include that section or
5 half section in their service area.

6 So another factor, you know, it might
7 look at to see whether, you know, whether these,
8 there is, you know, what the company has done,
9 whether it's within the rules or not, you know,
10 the rules allow them to make those extensions
11 beyond their service area boundary.

12 Q. So if they have made, if the company has
13 made an extension in accordance with the rules
14 you just described to a particular customer, and
15 another customer who is outside of both that
16 company's service area and that is outside of
17 that company's service area, and is not receiving
18 service, how do you determine whether or not
19 that company or that customer is similarly
20 situated to the customer that is receiving
21 service?

22 A. Once again --

23 Q. Just to be clear, you had indicated earlier
24 location and facilities. Is there a specific
25 geographical measurement that you use? Is it 10

1 miles? Is it 100 yards? Or is it analyzed on a
2 case-by-case basis?

3 A. I think we would have to look at it on a
4 case-by-case basis and the specifics. But I, you
5 know, there are provisions in Qwest's tariff that
6 require Qwest to look at groups or clusters of
7 applicants with extended circumstances into new
8 areas, and I think there the rule is the customers
9 are within one mile or there is no more than one
10 mile between subsequent customers that the company
11 would be looking at, you know, the applicants as
12 a group as opposed to running facilities, you know,
13 for each individual applicant, it's more effective
14 if the company extends the facilities all at one
15 time to serve the group, and there is reference in
16 the tariff to the one mile limit.

17 Q. Understood.

18 And I am not certain of the specific
19 reference you are making of Qwest's tariffs, and
20 to be clear, my question is more generic, it's
21 really to the factors that Staff uses for any
22 utility, not just a Qwest or a telecom utility.

23 But in light of your question, or in light
24 of your statement, what you were referring to as a
25 cluster, does Staff consider that cluster to be a

1 community of interest?

2 A. No, I don't know if I would say it's a
3 community of interest. I mean a community of
4 interest for a group could go well beyond an
5 immediate area. But I guess I am thinking that,
6 for example, if it were in a development, a
7 subdivision, it would be people that have moved
8 into that developing area, that, you know,
9 subdivided area, and, you know, they are in a
10 relatively compact area, and within, like, for
11 example, a reasonable distance of one another.

12 I guess the other thing you want to look
13 at is determining the relationship of the customer
14 who -- customers that have service and those that
15 want service in relationship to the company's
16 existing boundaries will be the other thing that
17 you would want to look at.

18 Q. Okay.

19 A. So... And I think that is typically, what
20 I am telling you, it would be true of the other
21 utilities, but it generally goes back to looking at
22 it on a case-by-case basis and what the
23 circumstances are that exist.

24 And this is all to determine whether or not
25 the company might be discriminating against

1 particular customers by not extending service to
2 them. That is where there might be a question
3 about whether the company is discriminating against
4 a particular customer by not providing service or
5 refusing to provide service.

6 Q. You are aware of situations where a
7 company, a provider has indicated that it has made
8 an extension of service outside of the service
9 territory by mistake.

10 Have you encountered those type of
11 situations where that representation has been made
12 in your work?

13 A. I am aware of situations where -- well, I
14 think in this particular consolidated complaint
15 there was some, you know, Qwest had indicated
16 that, you know, they had inadvertently extended
17 service to some of these customers. That was
18 Qwest's position.

19 Q. That is correct.

20 A. And I think there has been others in the
21 past.

22 Q. Right.

23 And my assumption is that there have been
24 others, not just with Qwest or Intellicom, but my
25 assumption is that Staff has encountered situations

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1 with other utilities where they have said that the
2 extension of service outside of their service
3 territory was by mistake.

4 Was that correct?

5 A. I am not aware of any that -- I think most
6 of them that I am familiar with it was intentional,
7 but I am not aware of any that come to mind that it
8 was done in error, but it's possible.

9 Q. Is it Staff's position that in that type
10 of situation where the extension has been done or
11 made not voluntarily but by mistake, by inadvertent
12 action, that the same factors apply in terms of
13 determining whether or not the customer, another
14 customer seeking service that is similarly
15 situated to the customer that received service
16 inadvertently?

17 A. Well, I wouldn't want to say that that
18 wouldn't be a consideration, but I think the same
19 general factors would apply.

20 Q. Does the Staff make, use the same process
21 for evaluating whether a monopoly provider of
22 service, a service provider that has no
23 competition, is discriminating against its
24 customers versus a carrier that faces competition
25 in its service territory?

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1 A. I guess I was thinking in the criteria
2 that I was referring to, I think would apply to
3 water companies, to telephone companies, to
4 Qwest.

5 Q. So in your view Qwest would be treated,
6 even though Qwest faces, does not have a monopoly,
7 or do you view Qwest as having a monopoly in
8 service, a legal monopoly -- I am not asking for a
9 legal conclusion -- do you believe that other
10 carriers are authorized to provide service in
11 competition with Qwest in parts of Arizona?

12 A. Yes.

13 Q. In areas where Qwest faces that kind of
14 competition, do you evaluate whether Qwest is
15 engaging in discrimination in the same way that
16 you would evaluate whether another company,
17 water company or electric company that had a --
18 that faced no competition at all, would you
19 evaluate those two situations similarly, or use
20 the same factors to evaluate whether
21 discrimination had occurred?

22 A. I am not sure how that situation would
23 exist where Qwest had competition, but I guess
24 maybe some of those same factors might apply.

25 But I guess, you know, thinking of the

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1 situation where this normally comes up, you know,
2 Qwest is the monopoly provider, I mean there is
3 no other wire line service provider out there,
4 there is no other CLEC facilities-based provider,
5 there may be in some circumstances like there is
6 here that there is wireless service that is
7 available in the area, in the general area.

8 Q. And you don't consider that to be a service
9 alternative?

10 A. Wireless may be in certain circumstances an
11 alternative to wire line service.

12 Q. In the situation you just described, isn't
13 it more accurate to say that Qwest is the only
14 entity that you are aware of that has wire line
15 facilities in the area?

16 A. Yes, I think with regards to the
17 consolidated complaint, that is Staff's
18 understanding.

19 Q. But to your knowledge, Qwest does not
20 have and has not been granted by the Commission
21 a legal monopoly on the provision of service in
22 that area; in other words, if another company
23 wanted to come in and build facilities or use
24 another mechanism, leased and combination of
25 leased and owned facilities to provide service,

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1 Qwest does not have a legal right to preclude
2 that company from offering service in competition
3 with Qwest, correct?

4 A. I guess I think -- well, Qwest, first of
5 all, doesn't have a CCN like most other utilities
6 that the Commission regulates. I think that is --
7 you are the exception to that.

8 But I guess with regards to your service
9 area boundaries and having other carriers come in,
10 and let's say another ILEC wanted to come in and
11 serve an area that you are already serving per
12 your maps, I don't know that Qwest would
13 differentiate in regards to that proceeding would
14 treat you any differently than it would any other
15 service provider that, you know, say it was another
16 ILEC with a similar situation, you know, with
17 grounds to service area boundaries, and you know,
18 if another ILEC wanted to serve in your area,
19 would we just give them that area to serve.

20 Q. And no, to be clear that wasn't my
21 question, and I don't want to spend too much
22 time on this topic, but I just wanted to clarify.

23 You had made a statement that Qwest had a
24 monopoly in that area, and I think you are
25 referring to Prescott Valley area, and what I was

16 (Pages 58 to 61)

1 asking was just for clarification.

2 I stated that Qwest -- it may be true
3 that Qwest is the only carrier that you are aware
4 of that has facilities, wire line facilities in
5 the area to provide telephone service, but isn't
6 it also true that if another carrier wanted to
7 come into the area and either build facilities
8 or through a combination of building and leasing
9 facilities provide service, pursuant to the
10 Commission's approval, that they can do so?

11 A. Yes.

12 Q. Qwest does not have the ability to stop
13 them from doing it in the same way water and
14 electric companies might have the ability to stop
15 another company from providing service in the same
16 area where they are providing service?

17 A. Yes.

18 Q. That was my question.

19 A. I agree.

20 Q. You had made mention earlier the term
21 contiguous, and I wanted to talk to you a little
22 bit about that and how the Commission Staff, what
23 factors and processes the Commission Staff uses
24 to determine what that term means when looking at
25 service extensions, determining whether or not a

1 company is discriminating against a particular
2 customer. Because that phrase is used in a couple
3 of different statutes, Arizona statutes relating to
4 this issue.

5 And I will provide you with a copy.
6 (Brief pause.)

7 Q. (BY MR. BROWN) Mr. Smith, if you could
8 again take a look at Statute No. R14-2-502,
9 Section B.

10 A. Okay.

11 Q. And in that portion of the statute there
12 is a reference to the term contiguous to a company
13 certificated service area.

14 A. Uh-huh.

15 Q. And notification requirement that in this
16 instance a company would have if they made an
17 extension outside of that area.

18 A. Uh-huh.

19 Q. Do you see that reference?

20 A. Yes, I do.

21 Q. In that type of situation what kind of
22 working definition does the Staff use for what
23 contiguous means?

24 A. It would be adjacent to its existing
25 service area. In other words, the property is

1 butted up against the service area boundary.

2 Q. So normally by adjacent you mean sharing
3 the boundary with another property?

4 A. Yes. Well, sharing the boundary, the
5 property butts up against the service area, the
6 service area, the company utility service area
7 boundary.

8 Q. If I understood one of your earlier
9 answers, you indicated that you were not aware
10 of any other situations except for Qwest in which
11 companies had provided notice or reports to the
12 Commission about extensions outside of their
13 service area.

14 A. No, I don't -- well, I don't recall saying
15 that, but there have certainly been utilities
16 notify the Commission when they serve a contiguous
17 area, service area, that happens.

18 Q. Other telecommunication carriers?

19 A. Well, I am sorry, I was thinking in terms
20 of other utilities. Now, other telecommunications
21 companies I am not aware of any other company
22 where we have gotten notification like we have for
23 Qwest.

24 Q. Is it Staff's belief that those other
25 telecommunications carriers will be under an

1 obligation to do so?

2 A. Uh-huh. Yes, it would. Yes, they would
3 be obligated to notify the Commission of those
4 extensions to contiguous service areas, if there
5 are any.

6 Q. So to your knowledge, the Commission Staff
7 hasn't had to engage in any kind of evaluation of
8 service boundaries or extensions of service for any
9 telecommunications company but Qwest?

10 A. I am trying to think of some, and I can't
11 think of any. All of the ones that we have had
12 primarily involve Qwest in this issue, where this
13 issue has come up.

14 Q. I'd like to continue to discuss how Staff
15 utilized or views the term contiguous if a carrier
16 extended its service across its service boundary
17 into previously unserved or uncertificated
18 territory.

19 In Staff's view does that action make all
20 the unserved area or uncertificated area in the
21 state contiguous to the utility's certificated
22 service area?

23 A. I am sorry, could you repeat that
24 question?

25 Q. If a utility or a company makes an

1 extension outside of its certificated area,
2 across its designated service boundaries, into
3 what was a previously unserved area, does that
4 make all the uncertificated area in the state
5 considered contiguous to that utility's
6 certificated area?

7 A. I don't think it makes all the area in the
8 state contiguous.

9 Q. What measures would you use to draw the
10 line?

11 A. Well, are you saying that if you serve
12 one contiguous property, then the next property
13 you serve then that becomes contiguous, and the
14 next and the next and the next? Is that the
15 situation you are referring to, where it never
16 ends?

17 Q. That is a possible situation, yes.

18 A. Okay. Because I, you know, I think --
19 well, the working interpretation I think Staff has
20 had of this is you do the first one, and then that
21 is it.

22 Q. So a property that was not adjacent, or a
23 property that was not contiguous, in the definition
24 that you gave us earlier, in other words, a second
25 property that was not on the boundary of that first

1 property?

2 A. The second property that was not on the
3 boundary of the service area.

4 Q. That was both not on the boundary of the
5 service area and not on the boundary of the
6 property that the extension had been made to?

7 A. Well, it could be on the boundary of
8 that property, but if it's not on the boundary
9 of the service area, then it's not contiguous.

10 Can you draw me, or I can draw you, maybe
11 that is the easiest way to do it, is to draw on a
12 piece of paper.

13 And this is the service area boundary right
14 here.

15 Q. Why don't you just draw it and then I will
16 ask you some questions about it.

17 A. Okay.

18 (Brief pause.)

19 THE WITNESS: This property would be
20 contiguous. This property, if you extend service
21 here, this is not contiguous to the service area
22 boundary. So this is the one that is contiguous.
23 And if you extended it here and here, this
24 property is still not contiguous to your service
25 area boundary, this is your service area boundary

1 here.

2 Q. (BY MR. BROWN) Thanks.

3 Now, just to clarify for the record, a
4 property that has a boundary that is next to,
5 directly next to the service territory of the
6 carrier, you just indicated is a contiguous
7 property?

8 A. Yes.

9 Q. A property that is -- and let's assume,
10 let's assume that the service territory is on
11 the eastern side of the property you just
12 indicated is contiguous, understanding this being
13 east.

14 A. Yes.

15 Q. The adjacent property, or the property
16 adjacent to that property that is contiguous to
17 the service territory, to its west, it's your
18 statement that is not contiguous to the service
19 territory of the company?

20 A. That is correct.

21 Q. Wouldn't it in that instance be Staff's
22 position that if it extended to the first
23 contiguous property it would also have an
24 obligation, by mistake, to be clear, would also
25 have an obligation to provide service to this

1 second property?

2 A. I don't think, I don't think Staff's
3 position would be that there was necessarily an
4 obligation to serve that property. That was the
5 property, the east?

6 Q. Correct. To be clear, that is the property
7 to the east of the property that was contiguous to
8 the service territory of the company we were
9 discussing.

10 A. Yes.

11 Q. Good.

12 A. I guess if we took that position then you
13 would have the problem that you referred to in
14 your, you know, that where does it end. It never
15 ends.

16 Q. If I understand you correctly, you are
17 indicating that a property -- that Staff practice
18 has been to consider properties contiguous to a
19 service area if they share a direct boundary or
20 direct boundary with the --

21 A. Common boundary.

22 Q. -- common boundary with the service area of
23 the carrier?

24 A. That is correct.

25 Q. Now we have been discussing Section 502,

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1 going back to that briefly.

2 A. Okay.

3 Q. Are you aware of any situations where any
4 carriers have been fined or otherwise disciplined
5 by the Commission for violating that rule? Any
6 carrier, not just Qwest.

7 A. I am certainly not aware of any carriers
8 that have been fined, but I certainly -- I
9 wouldn't want to rule out that the Commission has
10 never taken any action against a carrier that has
11 extended service to a noncontiguous property,
12 because I think there has been some of that, you
13 know, where in fact some of these cases I think we
14 have referred to the water company cases, there
15 might have been some related issues there, some of
16 those.

17 Q. I was focusing in that question just on
18 monetary fines, not as to whether or not the
19 Commission had otherwise ordered a carrier to
20 provide service?

21 A. Yes, not aware of any monetary fines.

22 Q. So if I understood what you -- another
23 way to say what you said earlier about Staff's
24 view on that contiguous property is, is it true
25 that Staff does not believe that just because

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1 the company extends service outside of its service
2 area to a property that is contiguous to its
3 service area, that it is holding itself out to
4 provide service beyond that area?

5 A. I think I would agree, but just to make
6 sure there is not any -- what you are saying is
7 what I am thinking.

8 Q. Okay.

9 A. If they, if the company serves, extends
10 service to a property that is contiguous, and
11 they notify the Commission that they have done
12 that, then there is no obligation for that carrier
13 to serve a noncontiguous property in -- or there
14 is no obligation on the company to extend service
15 necessarily to other properties --

16 Q. Okay.

17 A. -- outside service area boundaries. I
18 think we are saying the same thing.

19 Q. Yes.

20 We have talked about the notification
21 requirement. What is Staff's view of the purpose
22 of that notification requirement?

23 A. I am not sure what the purpose of that
24 notification requirement is other than -- let me
25 think about it for a second.

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1 Q. Take your time.

2 A. I am sorry, I know there is a reason for
3 it, I just -- I can't right now, it doesn't come
4 back to me as why we required that.

5 Q. Setting aside the Staff's view on the
6 purpose for the requirement for a second, is it
7 Staff's understanding or position that the notice
8 requirement applies whether or not there has been
9 a voluntary or inadvertent or involuntary extension
10 of service, that in either circumstances the
11 obligation applies equally?

12 A. Well, let's back up for a second, because
13 I thought we were talking about the notice
14 requirements CLECs have to give the Commission
15 when they start providing service the first time
16 after they get their certificate.

17 Q. No. In this instance I think we are
18 referring to the same section we were talking
19 about discussing, excuse me, 502, which -- 502-B,
20 which just to clarify, it says: Each utility
21 which extends utility service to a person not
22 located within its certificated service area,
23 but located in a noncertificated area contiguous
24 to its service area, shall, notify the Commission
25 of such service extension.

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1 A. Okay.

2 Q. Just to be clear, that is the notice
3 requirement?

4 A. I am sorry, I am with you now, I am sorry.
5 What was the question again?

6 Q. That is okay.

7 The question was whether the Commission
8 viewed that notice requirement as being equally
9 applicable to a company that had made the extension
10 intentionally or voluntarily, or a company that
11 had made an extension inadvertently or
12 involuntarily.

13 A. Boy, I think this rule assumes that the
14 company knew that they were extending to a
15 contiguous area outside the service area boundary,
16 and therefore, you know, that they would notify,
17 and then they would notify the Commission that
18 that extension had been made so that the
19 Commission can, you know, know the service is
20 going to be provided to that area outside the
21 company's service area. And I guess, I guess if
22 it were an accident.

23 Q. Does that -- my question is if it was an
24 accident, does that obligation still apply?

25 A. Well, the obligation still applies, I

1 mean --

2 Q. If it's an accident, if it's an inadvertent
3 action, is it Staff's position, or would it be
4 Staff's position in that circumstance that the
5 company was holding out its service to customers in
6 that area? Just to step back and walk through the
7 scenario I have described, describing a situation
8 where the company makes a line extension
9 inadvertently, the company discovers this, the
10 company in accordance or compliance with this
11 Rule 502 complies and notifies the Commission that
12 this has occurred.

13 A. Okay.

14 Q. The company explains --

15 A. And I am sorry, this is a contiguous
16 property we are talking about here, notifying the
17 Commission of a contiguous?

18 Q. Physically contiguous, yes, yes.

19 A. Our definition of Staff's definition.

20 Q. The definition that you set forth
21 previously, yes. In that situation is it Staff's
22 position that that company has a continuing
23 obligation to serve that property?

24 A. Has a continuing obligation to serve
25 that property, yes, I think that would be Staff's

1 position. The company would have an obligation
2 to continue to serve that property.

3 Q. And let's assume in the scenario we are
4 discussing that in fact the company was ordered
5 to continue to provide service to that property,
6 this contiguous property we have been discussing.
7 Is it Staff's position that the company also must
8 provide service to properties adjacent to that
9 contiguous property?

10 A. I don't think the Commission would order
11 the company to serve a contiguous property, I
12 think it would be a voluntary situation where the
13 company would extend service to the contiguous
14 property and just notify the Commission that it
15 was serving that contiguous property.

16 I can't -- I don't think there would be a
17 situation where, you know, I guess if the
18 Commission were to order, I guess in this case I
19 would think that it would be that the company would
20 amend its service area boundary to include that
21 area, okay?

22 Q. Okay.

23 A. So now you have got a new boundary and,
24 you know, then there may be a contiguous property,
25 that new boundary, that might, that you could then

1 serve just simply by notifying.

2 Q. Understood.

3 But let's say the company didn't, because
4 let's say the company did not amend its boundary,
5 that the company's extension of service to the
6 contiguous property was pursuant to -- was a
7 mistake, as we discussed, and the company's
8 maintenance of that service was under order of the
9 Commission.

10 A. Okay.

11 Q. Would it be Staff's view that the company
12 had a further obligation to properties contiguous
13 to that newly added property?

14 A. I don't think it would be Staff's position
15 that the company would be obligated to serve a
16 property that is not contiguous to its service area
17 boundary.

18 Q. Okay. I think I understand your answer,
19 thank you?

20 A. Can I?

21 Q. If you want to amplify, please do.

22 A. Well, I guess if, once again, if the
23 company can stand and provide service to contiguous
24 properties, it simply notifies, and we are talking
25 about all utilities, not just Qwest, but in

1 general, they can extend to serve contiguous
2 properties, Staff's definition, all they want and
3 simply notify, okay, to their established service,
4 contiguous to their established service area
5 boundary. And they don't necessarily assume any
6 obligation to extend properties then that are not
7 contiguous to their service area boundaries simply
8 because they extended service to a contiguous
9 property.

10 Q. Okay. I understand your answer, and just
11 to qualify, the situation I described before was
12 where it had been a mistake or an inadvertent
13 extension, not -- which I think you were just
14 describing, a situation where it was they were
15 voluntarily making the extension.

16 A. We are kind of getting back to this.
17 I mean if this is a contiguous, would we
18 necessarily require that you serve this area,
19 and I think generally, no, that wouldn't be our
20 position.

21 Q. By this, quote-unquote, we are describing
22 an area that is adjacent to the original area
23 contiguous to the service area of the company?

24 A. Correct.

25 Q. All right. I have to make it clear for the

1 transcript.

2 I am going to ask you a few more questions
3 that are related to a statement that you made
4 earlier.

5 If I understood you correctly, I believe
6 that you said that the Commission's current rules
7 related to telecommunications competition may limit
8 or prevent a telecommunications carrier from
9 providing service throughout the state.

10 Was that a correct understanding? You had
11 mentioned pricing flexibility and other issues that
12 might have to be considered?

13 A. Right.

14 Q. But I also understood you to say that an
15 ILEC does not need authorization from the
16 Commission to extend service outside of its
17 certificated service area into uncertificated
18 service area, just merely needs to notify the
19 Commission, is that correct?

20 A. To serve a contiguous property, yes.

21 Q. And you indicated, as I understood earlier,
22 that you were aware of no other, no circumstances
23 where any carriers except for Qwest faced this
24 line extension or service extension problem, in
25 other words, the Commission had not been notified

1 of any such circumstances?

2 A. Where there has been an issue where people
3 are claiming that they are being discriminated
4 against and in getting service?

5 Q. That is correct?

6 A. I am not aware of any other companies
7 where this issue has come up. I don't -- I can't
8 think of any right now. I think it's all been
9 pretty much Qwest.

10 Q. Okay. Let's go back and talk a little bit
11 about an area we touched on earlier, which was
12 funding and compensation related to providing the
13 service, the types of service extensions that we
14 have been discussing.

15 To your knowledge, has the Commission
16 ever provided any kind of compensation, either
17 under the Arizona Universal Service Fund or
18 otherwise through a rate case to a
19 telecommunications carrier that has been required
20 by the Commission to make a service extension
21 outside of what that company has designated as
22 its certificated area?

23 A. Not as you have described it, I am not
24 aware of any where they were extending beyond
25 their certificated area. And then I guess the

1 reason why I say that is because there has been
2 AUSF funding provided to a carrier recently where
3 they were extending service to an area that didn't
4 have service that was part of their -- that had
5 been granted, they had been granted a certificate
6 from the Commission.

7 Q. So in that instance the carrier already
8 had a certificate to provide service to the area
9 under discussion, but they were not actually
10 providing service in that area?

11 A. Well, at the same time that they were
12 granted AUSF support, they were granted a
13 certificate.

14 Q. So in effect they were, they received
15 USF funds to provide service in a new area that
16 the Commission ordered them to provide service
17 at?

18 A. Well, the Commission didn't order them to
19 provide service.

20 Q. The Commission approved?

21 A. The Commission approved it.

22 Q. Okay.

23 From a policy perspective is it Staff's
24 position that that is a good or reasonable policy,
25 that companies that either are required or

1 otherwise engaged in providing service in areas
2 outside of their certificated area have available
3 to them access to the Arizona Universal Service
4 Fund to compensate them for providing service in
5 that area?

6 And to be clear, I am talking about an
7 area that, as you designated, was previously
8 unserved, was not receiving service.

9 A. Well, I don't know that there has been a
10 Staff policy established yet regarding the use of
11 AUSF funds for what was done in the case that I
12 am thinking of. In fact, the rules were waived
13 in that particular case so that the Commission
14 could, you know, provide that funding.

15 Q. When you say the rules were waived, is
16 that carrier receiving universal service funds or
17 not?

18 A. That carrier, I don't know if that carrier
19 is actually providing funds at this point right
20 now.

21 Q. Receiving funds?

22 A. Or receiving, I am sorry, receiving funds.
23 But they will receive funds as a result of their
24 request to, you know, extend service to what was an
25 unserved area.

1 Q. And my question was a general policy, one
2 which was, does Staff support that policy, and if I
3 understood your answer correctly, it was Staff does
4 not have a defined policy in that regard?

5 A. That is right. In fact, I think Staff had,
6 in that particular case I think Staff's position
7 was that they were opposed to providing AUSF funds,
8 but it was primarily because the rules didn't
9 provide for funding under that circumstance, and so
10 the rules were waived and the Commission provided
11 that.

12 Q. Would Staff support amendment of the
13 rules?

14 A. Well --

15 Q. Staff's only opposition was that the rules
16 didn't --

17 A. Part of the AUSF rules process would be to
18 consider revisions to the rules, possibly to
19 provide AUSF funding in cases like this. So, you
20 know, once again, we haven't gotten to that point
21 yet. I mean Staff is not, hasn't taken a position
22 where they are opposed to that, to amending the
23 rules to allow for that. I mean that is part of
24 the consideration in the AUSF rules, but --

25 Q. But as I understand it -- sorry to cut you

1 off. Please finish.

2 A. No, I was done, sorry.

3 Q. But as I understand it in the prior
4 circumstance where Staff was faced with that
5 situation, Staff did not support the Commission
6 granting a waiver, Staff opposed it?

7 A. No, I don't think we opposed the waiver,
8 I think we opposed the funding, because the rules
9 didn't allow for it. And I think ultimately what
10 happened is the rules were waived and the
11 Commission then went ahead and provided the
12 funding.

13 Q. Okay. So Staff had no philosophical
14 disagreement with a carrier in that circumstance
15 receiving universal service funding, Staff's only
16 concern was that the rules --

17 A. Rules didn't provide for it.

18 Q. -- in their current form, the rules did not
19 provide for that funding to occur, if I understand
20 you correctly?

21 A. I think that was generally Staff's problem
22 with it.

23 Q. Okay.

24 A. And then once again, this is my
25 recollection of it, and there were other Staff

1 members involved in it, and maybe other
2 positions taken, but I think it was primarily
3 one of a problem with the rule and the way the
4 rule was written, if funding couldn't be provided.

5 Q. In the circumstance with the carrier that
6 received the waiver, are you aware of how that
7 carrier is receiving compensation? In other words,
8 what is the mechanism that is being used? Are
9 they receiving an up-front payment, or do you have
10 any knowledge at all as to how the Commission
11 ordered that to be implemented?

12 A. I don't. At this point in time I think,
13 you know, I vaguely know, I can tell you that the
14 funding was, I think was provided, it was provided
15 on a temporary basis until the company could get
16 federal USF support.

17 And I think the support was going to be
18 provided once, I think it was when service was
19 first provided, when service was established and
20 they were providing service, then I think that
21 is, and to the extent there was a delay in getting
22 federal USF funding they would get the support,
23 but I mean beyond that, and that is my recollection
24 of just trying to answer the question as best I can
25 subject to check and stuff, I think that is kind of

1 how it was working.

2 Q. Understood.

3 To your knowledge is the company you are
4 referring to rate of return regulated, or is it on
5 a price cap plan?

6 A. It's a rate of return regulated company.

7 Q. In your view would current Staff policy
8 support a company that was subject to a price cap
9 and in a similar situation, i.e., either required
10 by the Commission or for other reasons has made
11 an extension to provide service in a previously
12 unserved territory, would it be Staff's position
13 to support a company in that situation also upon
14 amendment of the rules having access to universal
15 service funding?

16 A. I don't know what Staff's position would be
17 with regards to that, you know.

18 Q. Understood.

19 So Staff just doesn't have a policy at this
20 time on that?

21 A. Yes.

22 Q. Are you familiar with the federal Universal
23 Service Fund program? And the section I am
24 referring to specifically is Section 214 of the
25 act, and it's -- there is a specific Section E-3

1 that deals with determining what carrier is best
2 able to serve and things of that nature.

3 But are you familiar in general terms with
4 that section of the act?

5 A. Yes, I am.

6 Q. And it's my understanding that the
7 Commission has opened the docket to examine
8 implementation of the federal universal service
9 rules in the Arizona context, including Arizona
10 Universal Service Fund, but also to further
11 examine how all these activities will be done in
12 coordination with or in compliance with the
13 federal rules as well, is that correct?

14 A. That is correct.

15 Q. Are you involved at all from the Staff's
16 perspective in that docket or that process?

17 A. I have been involved in that docket.

18 Q. Okay. To your understanding, without
19 asking for any legal conclusions, to your
20 understanding what is the current status of that
21 proceeding? I mean from Staff's workload
22 perspective, I don't mean specifically things
23 you are doing, but in terms of where it's your
24 understanding Staff believes that proceeding is
25 currently situated.

1 A. I think right now that proceeding is
2 basically in a holding pattern because of all the
3 other matters that Staff is dealing with in the
4 telecommunications area right now. And I am not
5 aware of any procedural orders that have been,
6 you know, issued by the Hearing Division regarding
7 the schedule for going forward with it.

8 So I guess it's pending and, you know,
9 depending on, you know, conditions with workload
10 and going forward, the plan is just to, you know,
11 it will be worked on as quickly as possible.

12 Q. And that, I will refer to the specific
13 number of the docket to make sure that we are
14 being clear, I think it's RT-00000H-97-137. Is
15 it your understanding that docket or proceeding
16 first began in 1997, does that sound --

17 A. Yes.

18 Q. Does that sound correct?

19 A. That is correct.

20 Q. And going back to the federal statute
21 214 that I referenced earlier, are you aware
22 that that federal statute contains a process for
23 a state commission to engage in an evaluation of
24 what carrier is best able to serve an unserved
25 area? Are you familiar with or have you heard of

1 that type of process?

2 A. My recollection of the Section 214 and
3 the specific provision you are referring to has
4 to do with a state commission being able to
5 designate a carrier to serve in an unserved area,
6 commission would determine which carrier was best
7 able to provide service in the area, and it gives
8 the state commissions that authority to designate
9 a carrier.

10 And I mean as far as, I don't know if
11 there has been any meat put on the bones yet with
12 regards to specific procedures that ought to be
13 followed. I mean in Qwest's comments, you know,
14 you refer to the rule making that is out there,
15 notice of proposed rule making that, you know, the
16 FCC puts forth some, you know, tentative positions
17 on the, how a process might, what process might be
18 involved in designating a carrier to serve an
19 unserved area.

20 But, you know, it's just a rule making at
21 this point in time, so, you know, when you say
22 procedures and stuff, there is a rule making out
23 there that is underway to look at some, you know,
24 different criteria or process that the state
25 commissions could use to, you know, designate a

1 carrier to serve an unserved area, but that is it
2 at this point in time, it's rule making.

3 Q. Okay. And just to make a distinction, I
4 am now referring to the actual statute which is
5 not a rule making, it's the law of the land.

6 A. Okay.

7 Q. And this is a copy of Section 214.

8 A. I am sorry, I was getting ahead of you
9 there.

10 Q. And the page I have turned to is the
11 Section E that we had begun to discuss which --

12 A. Let's see, E-3?

13 Q. E, I believe.

14 A. Yes, on Page 3 at the top, yes,
15 Designation of an Eligible Telecommunications
16 Carrier for Unserved Areas is the heading, E-3.

17 Q. Would you please just take a look at that
18 a minute?

19 A. Okay.

20 Q. I will let you keep that.

21 A. All right.

22 Q. Now, in that section there is reference
23 to certain terms which you may or may not have
24 considered previously, and there is reference to
25 determination of which carrier, if any, would be

1 best able to serve an area outside a certificated
2 service area, an unserved area.
3 There is references in there to a
4 community, utilizing the term community or a
5 portion of the community, and I was planning to
6 ask you some questions relating to the factors
7 and the processes that the Commission might use,
8 the Commission Staff might use to determine
9 whether or not a carrier was best able under
10 whatever criteria.

11 If I understood you earlier correctly,
12 you indicated that at this point Staff has not
13 examined this issue at all, is that correct?

14 A. Well, I don't know that I would say that
15 we haven't examined the issue at all. We have
16 established a policy, we haven't established
17 procedures that we, you know, we would follow in
18 designating a carrier for an unserved area.

19 Q. Okay. So right now there is no, there
20 would be no procedure consistent with the federal
21 statute on eligible carriers and designation of
22 an eligible, for lack of a better word, carrier
23 of last resort, which is what this section refers
24 to, Section 214, the Staff has not yet developed
25 any policies to implement that statute in Arizona?

1 A. Yes, there has been -- well, there has
2 been no procedures outlined by Staff, policy with
3 regards to, you know, designating, you know,
4 carriers to serve an unserved area.

5 But I guess there is nothing that would,
6 you know, prevent the Commission from moving
7 forward with the consolidated complaint matter
8 because there is, you know, there is no policy
9 or procedures that, you know, have been formulated
10 at this point in time by Staff. I mean Staff has
11 looked at this information and read the notices
12 of proposed rule making, and once again, that is
13 something that we were going to, you know,
14 consider in connection with the AUSF rule and the
15 AUSF rule docket.

16 Q. So when Staff either in this complaint or
17 in similar complaints, at least to the rules --
18 strike that.

19 At least until Staff has an opportunity
20 to consider Section 214 of the federal act in the
21 context of its pending AUSF proceeding, if I
22 understand you correctly you are saying that
23 Staff is not using a criteria that is outlined
24 here in this statute for making its recommendations
25 regarding whether or not a carrier is, A, is best

1 able, quote-unquote, to serve in an unserved area.
2 Was that a correct understanding?

3 A. I am not sure.

4 Q. To clarify, whatever factors the Staff is
5 using, it's not these factors that are in
6 Section 214?

7 A. Well, I don't know. There is nothing to
8 say that we couldn't use these factors, even
9 though they haven't been adopted in a formal rule
10 making.

11 Q. Okay. So you can use them, but is Staff
12 using them now?

13 In other words, to clarify my question,
14 let me just step back, Del.

15 These rules refer to a carrier that is
16 best able to serve. Staff, I presume, makes
17 recommendations, from what you said earlier Staff
18 makes recommendations to the Commission in
19 circumstances such as extensions out of, extensions
20 beyond certificated service areas as to which
21 carrier is best able to serve.

22 A. Well, we haven't done that yet.

23 Q. You have never had to do that before?

24 A. Where?

25 Q. And again to be clear, not in -- the term

1 best able here is in this statute, but generically
2 you have run into situations, I think you have
3 testified earlier that you have run into situations
4 where Staff has had to make recommendations that X
5 carrier was going to serve Y customer because they,
6 in the instance you just described, they were the
7 only company there that you thought had the
8 facilities to provide the service, in your view.

9 So in other words, you or the Staff made
10 a recommendation as to who was, quote-unquote,
11 best able to serve, if I understood you correctly.

12 A. I am sorry, Mark, I am trying to remember
13 when I said that. I think I was talking more, I
14 am I am wanting to say I was talking more in
15 hypothetical terms or what Staff might consider
16 and might look at in determining, you know, whether
17 or not there was, the company was discriminating
18 against customers by refusing them service if it
19 had extended to other customers who were similarly
20 situated.

21 But where I guess I am struggling is
22 whether -- there hasn't -- I don't know that
23 there -- I am trying to remember if there has
24 been a specific docket where Staff has taken a
25 position with regards to this situation, you know,

1 where --

2 Q. Okay.

3 A. We were considering some of it in the
4 rules back in '97 and ways to, you know, have some
5 of this stuff.

6 Q. If I understood you correctly, you are now
7 drawing a distinction between a situation where
8 there has been a claim that a company has either
9 inadvertently or impermissibly extended across
10 it's certificated area, and then there is the
11 issue that Staff has to give a recommendation on
12 regarding discrimination, you are distinguishing
13 that situation from a situation where there is
14 just no carrier out in the subject area at all
15 providing service, and pursuant to these rules
16 the Commission could identify a carrier of last
17 resort or carrier best able to serve. If I
18 understood you that was the distinction you were
19 drawing.

20 A. Well, I think the Commission has taken
21 in other utility cases, not necessarily telecom,
22 water, that it has taken a position that the
23 utility ought to serve, you know, in a given case,
24 and where customers were similarly situated.

25 Here we are talking about specifically

1 with regards to telephone, because that is what
2 these rules deal with, and I am not aware of a
3 specific proceeding, you know, where Staff has
4 taken a formal position with, you know, in a
5 proceeding.

6 I mean there has been a lot of these
7 issues that have come up in the past with Qwest,
8 with U S WEST regarding unserved areas and
9 discussions that have been had between, you know,
10 Staff and the company regarding whether or not
11 they should serve, extend service to these other
12 customers, you know, in this area that is in
13 question.

14 But I don't know that it's gotten down
15 to, you know, where, you know, it's involved a
16 process like this, it was more, you know, well,
17 you have provided service to this customer
18 located in this particular area, and these other
19 customers want service and, you know, and why
20 aren't you willing to extend service, you know,
21 to these similarly situated customers.

22 But there has not been a formal process,
23 you know, established or process like this, that's
24 been involved in any of that.

25 Q. So just to be clear, whatever process

1 would be involved at this point with regard to the
2 Prescott Valley area, it wouldn't --

3 A. The Williamson Valley area, that is the one
4 I mentioned, the Williamson Valley area, as being
5 one, or are you talking about the unserved areas
6 that were identified?

7 Q. No, I was referring to the Prescott Valley
8 area that is the subject of this complaint.

9 A. Okay, this particular complaint, okay.

10 Q. That to be clear, Staff, whatever
11 methodology Staff is using to make its
12 recommendations on how the Commission should
13 proceed, are not based on the process that is
14 outlined in Section 214?

15 A. With regards to this particular
16 complaint, Staff has not taken a position one
17 way or another. I mean we filed the comments,
18 we laid out the policy, or the policy implications
19 for the Commission to consider.

20 But I will say that Staff, Staff doesn't
21 believe that the company ought to be able to pick
22 and choose the customers that it serves, i.e.,
23 the discrimination issue. That is, you know,
24 that is, I think that is kind of the position
25 that Staff, you know, has -- well, Staff's filed

1 its comments and they are what they are. But,
2 you know, and I guess what is our position, our
3 position on these areas in general is once again
4 the company not picking and choosing and not be
5 discrimination.

6 Q. Okay. That is clear.

7 A. Okay.

8 (A recess ensued.)

9 Q. (BY MR. BROWN) I have just got a couple
10 more questions.

11 Does the Staff have, to your knowledge, a
12 time frame for reengaging the AUSF docket?

13 A. I am not aware of that specific time
14 frame. In other words, has there been discussions
15 that we have to get that AUSF docket underway
16 within the next month or two months or get it
17 completed by a date certain? I am not aware of
18 that discussion.

19 But I do think there is a need to do
20 something there, and I think it's going to quickly
21 move up in the list of priorities.

22 Q. It's my understanding through Staff's
23 filings that Staff takes the position that the
24 issues in this proceeding from the Prescott
25 Valley proceedings can be resolved without the

1 resolution of the AUSF docket, is that correct?

2 A. That is correct.

3 Q. So is it Staff's position that the
4 issues in the Prescott Valley complaint can be
5 resolved without resort to the AUSF, because
6 the determination of who is best able to serve
7 the complainant can be made without universal
8 service funds being implicated?

9 A. Well, I guess I wouldn't want to preclude
10 anything, I mean at this point in time. But I
11 guess Staff, you know, well, you have heard the
12 comments, that there is nothing to -- that
13 precludes us from, I think, would preclude the
14 Commission from addressing this particular issue
15 and specifics that we have here, you know, and
16 not having resolved a broader AUSF rule of
17 changes.

18 Q. Even though the complainants are currently
19 in an unserved area?

20 A. Well, I guess it kind of depends on how
21 you define unserved area. Qwest is providing
22 service in the area now, so I guess you could
23 argue it isn't an unserved area. You have
24 facilities extended into this area.

25 Q. If you could rephrase that, then, how does

1 Staff define unserved area?

2 A. Well, let me put it this way. I think
3 earlier we were talking about these different
4 unserved areas that Staff had identified in the
5 original rule making, where we were looking at
6 the rules back in '97, we had identified these
7 dozen areas, whatever, how ever many there were,
8 and these were, I guess what I am attempting to
9 do is differentiate those areas where there was
10 no service provided in those areas, as we had
11 defined them with the boundaries, and said okay,
12 no one in this area where there is this community
13 or group of applicants who, nobody has facilities
14 in there, and it's not in anyone's service area,
15 you know. I think at that time we were talking
16 about not needing incumbent service area, okay?

17 And in this I am trying to differentiate
18 that this is different in that actually Qwest has
19 extended service into this area, into where there
20 is this group of applicants, into this section that
21 is not within its service area as defined by its
22 maps.

23 Q. And because it's Staff's position that
24 because Qwest has extended service to a contiguous
25 property in a section beyond it's service territory

1 maps, that it is thereby holding out to provide
2 service to the entire section?

3 A. Well, I think it has, I guess it's a
4 combination of the circumstances here in this
5 area. And, you know, once again I guess I will
6 go back to the comments that, you know, what the
7 Commission does here and how the Commission looks
8 at the other utilities and any other decisions
9 that have been issued by the Commission regarding,
10 you know, service extensions and what the rules
11 provide.

12 And in other words the rules provide for
13 service to contiguous properties, okay, by
14 notifying the Commission. To the extent that the
15 company has extended service to a noncontiguous
16 property, then, you know, the Staff's position
17 has been with other utilities that when that
18 happens, that utility has to come in and/or file
19 for an extension of its CCN to be able to serve
20 that noncontiguous property.

21 Q. That property alone, not properties being
22 contiguous to the noncontiguous property that
23 it extended service to, if I understand you
24 correctly?

25 A. I don't know that I would be as specific

1 as that property. I think it would be in a
2 service extension to include maybe contiguous and
3 noncontiguous properties within that area, where
4 there were people wanting service; in other words,
5 you would look at the area where there was a
6 potential for growth, and the company would get an
7 extension. In other words, if you want to serve
8 contiguous properties, that is fine, just notify
9 the Commission that you are serving.

10 If you want to serve these noncontiguous
11 properties, in order to do that, you need to amend
12 your CCN and get an extension. And in case of, I
13 guess, Qwest, it would be amend your maps to
14 include the half section or the section where you
15 are serving.

16 Q. I understand. And again, you are talking
17 about a situation where the company is
18 affirmatively coming to the Staff or the
19 Commission and indicating its intent or dedication
20 to serve that area, contiguous or noncontiguous?
21 If I understood you correctly, that was the kind of
22 situation?

23 A. Or if we had found out that there had been
24 an extension to a noncontiguous property, then
25 Staff may, you know, take some action and require

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1 the company to come in and get a CCN extension.
 2 Q. So the basis upon which that extension
 3 was made wouldn't matter to Staff in its
 4 determination of what its recommendations would
 5 be. The mere fact that the company was providing
 6 this service to this property, to this
 7 noncontiguous property, would be in and of itself
 8 sufficient for Staff to recommend that the
 9 company then be required to provide service to
 10 all?

11 A. Similarly situated customers in that area,
 12 if that, I mean --

13 Q. Even if it was inadvertent. So are you
 14 saying the company -- I will let you explain
 15 further. I am not certain exactly what you are
 16 saying.

17 A. Well, I guess I am trying to differentiate
 18 between contiguous and noncontiguous properties
 19 with regard to the other utilities, you know. And
 20 the position that Staff has taken, like, for
 21 example, on the water utility side, you know, most
 22 of the examples that have been cited in here is
 23 where the Commission has issued some sort of
 24 decision on the part of water companies, but
 25 if the company wants to extend to serve a

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1 noncontiguous parcel, property that doesn't abut
 2 its service area, the idea is if it wants to go
 3 out, okay, it's going to extend out.

4 Q. And just to be clear -- I am sorry to cut
 5 you off.

6 Just to be clear, we are not discussing a
 7 situation where the company affirmatively wants
 8 to do something. We are discussing a hypothetical
 9 where the company has inadvertently or mistakenly
 10 done something, in particular made a line
 11 extension. As we both know, these things happen
 12 when you are on boundaries.

13 And the scenario or hypothetical I am
 14 trying to discuss with you is where that has in
 15 fact occurred, we first talked about it in the
 16 context of a contiguous property, and now I think
 17 you are drawing a distinction, if I understand
 18 you correctly, of what the Staff's position would
 19 be if that happened where it was an inadvertent
 20 extension to a noncontiguous property.

21 A. Well, I don't know that. I think that if
 22 in fact it was, you know, it was an inadvertent
 23 extension, I mean that may be a consideration.
 24 But I am not sure how much weight it would carry
 25 with regards to the Staff and ultimately to the

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1 Commission about whether that company has, its
 2 obligation is any different because it was
 3 inadvertent.

4 Q. And just to be clear, when you say that
 5 it may not make -- if I understood you correctly,
 6 you are saying in the final analysis it may not
 7 make any difference to Staff whether it was
 8 intentional or inadvertent, is that correct, in
 9 whatever recommendation it made?

10 A. Well, there may be a consideration, but
 11 I don't -- it's not necessarily -- once again, if
 12 the company has extended service, and I think
 13 Staff's position has been that then is their
 14 service area, they are then providing service in
 15 that area, under whatever circumstances if they
 16 extended service, whether it was by accident or
 17 whatever, that then is in essence part of their
 18 service area, like it or not, and they can't, they
 19 can't just say okay, well, we made a mistake, let's
 20 disconnect the service.

21 Q. Okay. I understand that.

22 If I understood you earlier correctly, it
 23 was Staff's position that the extension that in
 24 Staff's mind, I am not saying this is Qwest's
 25 position, but in Staff's mind that that extension

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1 that makes that new property part of Qwest's
 2 service area, that it is that new property and only
 3 that new property that becomes part of Qwest's
 4 service area, it is not all contiguous properties?

5 A. To that new property.

6 Q. Correct?

7 A. Correct.

8 Q. And my question to you earlier, I think,
 9 was is Staff's position the same whether or not
 10 the extension was to a property that was contiguous
 11 to the service area or that was noncontiguous to a
 12 service area. And I thought you drew a distinction
 13 that basically indicated that if it was
 14 noncontiguous you, Staff, would recommend that
 15 Qwest be required to serve basically all the, any
 16 properties or other customers that might be in
 17 between its service area and the noncontiguous
 18 property that it made the extension to.

19 A. Or any other customers that might be
 20 similarly situated when you look at it in the
 21 context of an extension.

22 Q. Okay.

23 A. So that you don't have a situation where,
 24 you know, I think it was mentioned in one of
 25 these water cases, that the company wanted to

27 (Pages 102 to 105)

1 serve somebody up here, didn't want to serve the
 2 guy between that property and the service area
 3 boundary, so in essence the company would have
 4 services all around, but would not serve that.
 5 And that doesn't make a lot of sense, and would
 6 probably preclude anyone else from ever serving
 7 so why wouldn't you go ahead and require the
 8 company to serve that property as well as the
 9 property further from its service boundary.
 10 So...

11 Q. Just a final question.

12 Again to clarify in the circumstance we
 13 are talking about, this is unserved territory,
 14 correct?

15 A. Unserved territory with regards to?

16 Q. With regards to -- just to be clear let's
 17 go back to the hypothetical.

18 We are talking about a situation where a
 19 carrier made an extension, let's say, to a
 20 contiguous territory. If I understood you
 21 correctly, you are saying Staff's position is
 22 that once the carrier has made that extension,
 23 that new contiguous property in effect becomes
 24 part of its service area?

25 A. Right.

1 Q. If I understood you correctly?

2 A. Right. For purposes of application of its
 3 tariff and all that other kind of stuff.

4 Q. If I understand correctly, everything
 5 outside of that boundary, that new boundary that
 6 is being created, is still considered unserved
 7 territory by the Staff, and open territory, what
 8 we have been referring to as open territory?

9 A. Well, I guess if -- I think Staff's
 10 position would be if the company has extended
 11 territory to a contiguous property -- once again,
 12 this is my opinion, you know.

13 Q. I understand.

14 A. Okay. -- that there wouldn't necessarily
 15 follow an obligation to serve other properties
 16 within that section where that contiguous property
 17 exists.

18 MR. BROWN: Okay. I don't have any further
 19 Qwest. Thank you.

21 EXAMINATION

22
 23 Q. (BY MS. SCOTT) I have some clarifying
 24 questions, and I promise I will try to go fast, I
 25 hope, take about 10 minutes or so, Del.

1 Let's go back to the beginning. When
 2 Mr. Brown was talking to you about the definition
 3 of an unserved area, I believe that you said that
 4 Staff had not formulated a definition yet, is that
 5 correct?

6 A. That is correct.

7 Q. And when you make that statement that
 8 Staff has not yet formulated a definition of an
 9 unserved area or what constitutes open territory,
 10 are you referring to the fact that Staff has not
 11 in any formal filing at the state level given what
 12 it believes its formal definition of that term to
 13 be yet?

14 A. That is correct.

15 Q. Is it your understanding that Staff has
 16 filed some pleadings at the federal level for
 17 purposes of the federal Universal Service Fund in
 18 which Staff proposed definitions of unserved and
 19 under served areas to the FCC?

20 A. Yes.

21 Q. And do you recall a discussion that you
 22 had with Mr. Brown regarding how the costs
 23 associated with providing service to an unserved
 24 area or open territory would be recouped?

25 A. Yes.

1 Q. And you recall a lot of questions being
 2 posed about whether the carrier should obtain AUSF
 3 funds, whether the costs should be explicit?

4 A. I recall that discussion.

5 Q. Is it fair to say that there are many ways
 6 in which a carrier can recover its costs associated
 7 with providing service?

8 A. Yes. Through its regular rates and charges
 9 authorized in its tariff.

10 Q. And when a company -- let's take a company,
 11 the situation where a company has voluntarily
 12 agreed to extend service to a currently unserved
 13 area. There have been instances of that, have
 14 there not, where a company has filed an application
 15 with the Commission to expand its CCN to encompass
 16 an area?

17 A. Yes, that happens all the time.

18 Q. And in those instances have AUSF or
 19 universal service funds always been provided to
 20 the company?

21 A. No. Let me back up for a second. When
 22 I -- I know that there have been extensions to,
 23 we have extensions all the time for the other
 24 utilities, the water utilities and stuff like
 25 that.

1 With regard to the telephone utilities
2 involving AUSF funding, Qwest has extended its
3 service area boundaries in the past. I am trying
4 to remember right. I think other companies --
5 well, I think other companies have filed to extend
6 their boundaries or to serve new areas and not
7 been granted any AUSF funding. We talked about the
8 case from Midvale where they were granted AUSF
9 funding, but --

10 Q. And in the other cases, let's put Midvale
11 aside for the time being, in the other cases how
12 did those companies recoup their costs of providing
13 service to these areas?

14 A. Through the normal rates and charges listed
15 in the tariff, through line extension charges.

16 Q. Okay. So the Commission, to your
17 knowledge, has never denied a company the ability
18 to recoup its costs, legitimate costs in providing
19 service to areas?

20 A. Not that I am aware of.

21 Q. And currently under the AUSF rules, how
22 does a company qualify to get AUSF funding?

23 A. Through a -- well, the way the rules are
24 set up now, primarily would be through some sort
25 of a rate application, a rate would be filed.

1 Q. And if you can't answer this question, feel
2 free to say so.

3 Under the U S West II decision when the
4 Commission is -- when the Commission sets rates
5 for a carrier, are they required to consider the
6 fair value of the property of that company in
7 establishing rates for its services?

8 A. Yes, that is a requirement.

9 MR. BROWN: Just for clarification,
10 Maureen, the U S WEST II decision, when was that
11 decided? I am not familiar with it.

12 MS. SCOTT: About 18 months ago.

13 Q. (BY MS. SCOTT) And you recall a discussion
14 with Mr. Brown regarding competitive local exchange
15 carriers that have been granted statewide CCNs?

16 A. Yes.

17 Q. And is it your understanding with respect
18 to the competitive local exchange carriers that
19 have statewide CCNs that they are allowed to
20 provide competitive local exchange service
21 statewide?

22 A. Yes.

23 Q. And they would not have to come back to the
24 Commission to provide competitive local exchange
25 service throughout the state?

1 A. That is correct.

2 Q. Okay.

3 A. Key word is competitive.

4 Q. Okay. And let's go back to that for a
5 second.

6 Is it also fair to say that with respect
7 to a CLEC wanting to provide service in an
8 unserved area, that there may remain some policy
9 considerations, or there are policy considerations
10 that the Commission would want to look at in those
11 instances, for instance, whether the CLEC should
12 be treated more like an incumbent in an unserved
13 area, so that is -- well, Staff isn't taking
14 positions on some of these issues, this is a
15 policy consideration that you would advance for
16 the ALJ and the Commission to consider?

17 A. Yes.

18 Q. Okay.

19 A. I guess if you look at the procedures
20 that Staff follows in reviewing a CLEC CCN
21 versus an ILEC CCN, I think there is a lot of
22 difference there in the tariffs and the
23 rates that are established, the rate structure
24 and everything else. So that is where the
25 disconnect comes in with an unserved area.

1 Q. Then you recall a discussion with
2 Mr. Brown regarding CLECs and whether they would
3 be subject to similar notice requirements if they
4 were to provide service outside of their designated
5 areas.

6 And I believe that you said later in
7 response to a similar line of questioning that
8 they would be required to provide notice, and in
9 the event that they wanted to expand their CCN,
10 for instance, to go from the Qwest designated
11 area statewide, that they would have to file
12 something with the Commission to amend their grant
13 of authority to cover the entire state, is that
14 correct?

15 A. Just to make sure I am clear, if they had
16 a CCN, it was partial state coverage, and they
17 wanted to extend to cover the entire state, yes,
18 they would have to come in and file for some sort
19 of a CCN extension, would be my understanding,
20 yes.

21 Q. Let's go to the issue of discrimination.
22 I am going to combine this discussion. Mr. Brown
23 first touched upon the issue of discrimination
24 and then he talked about contiguous versus
25 noncontiguous areas.

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1 Do you recall those discussions?

2 A. Yes, I do.

3 Q. Okay. Let's talk about this

4 differentiation between a noncontiguous and
5 contiguous area. And when you were talking to
6 Mr. Brown about these terms and about how you
7 would view the Staff interpretation with respect
8 to the telecommunications area, has Staff
9 formulated a formal position on these issues yet
10 for telecommunications?

11 A. No, it hasn't.

12 Q. And by formal, again I am meaning
13 something that is set forth in a formal pleading
14 or filing before the Commission.

15 A. Yes.

16 Q. Okay. So Staff has not formulated a formal
17 position yet?

18 A. That is correct.

19 Q. Okay. And when you talked about the
20 provision of service to noncontiguous areas,
21 let's focus first on the term and use of the
22 word property. When you were looking at the
23 provision of service to properties located in an
24 area contiguous to Qwest's current exchange
25 boundaries, were you looking at that largely

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1 from the perspective of how the Commission looks
2 at and treats these issues with respect to water
3 utilities?

4 A. Primarily, because that is where we see
5 most of those types of filings, I think. In fact
6 the only filing that I am aware of for the
7 telecommunications provider regarding service to
8 these contiguous properties has been Qwest in the
9 past has filed that notification.

10 Q. And are there differences in the way a
11 water utility would define its boundaries as
12 opposed to Qwest, looking at that question from a
13 historical perspective, and even today?

14 A. Yes.

15 Q. Was that clear?

16 A. Yes. Typically the water companies will
17 file their service area descriptions by some sort
18 of a metes and bounds or legal description that,
19 you know, specifically lays out down to individual
20 properties or parcels the area that it serves.

21 On the other hand, for the most part the
22 telephone companies have typically defined their
23 service areas based on, you know, eight and a half
24 by 11 maps that are in their tariffs, that the
25 boundaries typically follow a section line.

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1 Q. So it isn't inconceivable, is it, that

2 when the Commission looks at this in the first
3 instance, or the ALJ or the Staff, and comes up
4 with a formal position here, it is conceivable
5 that Staff, the ALJ, and Commission might
6 interpret the word contiguous with respect to a
7 telecommunications provider to mean an area or
8 section that is contiguous to the Qwest exchange
9 boundary. Would that be reasonable? Or I should
10 say, is that a possibility?

11 A. Anything is possible with the Commission,
12 certainly.

13 Q. Okay. And Staff could come up with that
14 formal position, is that correct?

15 A. I think that Staff could formulate, it's
16 possible they could formulate that position.

17 Q. So Staff might treat the telecommunications
18 providers, because of the way they define their
19 areas or boundaries now, differently than a water
20 utility which defines it more on a parcel basis and
21 metes and bounds basis?

22 A. I guess there might be reasons for that to
23 be done, although I mean the rules, I think the
24 rules are pretty much the same from one utility to
25 the other about the definition of a contiguous

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1 property and notification to the Commission. I
2 don't know that there was any attempt to
3 differentiate it when it was originally written
4 between one utility and another.

5 But I guess I can see where, you know,
6 water service is water service, whether you get
7 it from Company A or Company B, but telephone
8 service from Company A is not the same as Company
9 B if your neighbor has Company B's telephone
10 service and there isn't local calling.

11 So there is some differentiation there that
12 you might want to look at larger areas.

13 Q. And so these are the types of policy
14 issues that you are advancing that the Commission
15 needs to consider, the ALJ in this case, before
16 making, possibly making a determination?

17 A. Certainly, yes, that would be part of the
18 consideration I would think.

19 Q. And for purposes of -- let's take this
20 one step further. For purposes of the
21 nondiscrimination requirement, it is possible,
22 then, if this were interpreted on a section basis
23 or area basis, that if one were to apply the
24 nondiscrimination requirement, then the company
25 would be required to serve all customers within

30 (Pages 114 to 117)

Page 118	Page 120
<p>1 the area on a nondiscriminatory basis once it 2 extended service to one or two customers within 3 the area? 4 MR. BROWN: To be clear, excuse me, when 5 you say area, what do you mean? 6 MS. SCOTT: A section. 7 MR. BROWN: Okay. 8 Q. (BY MS. SCOTT) Is that one interpretation 9 that could be made? 10 A. I think that is one interpretation. 11 Q. And a policy decision that could be made by 12 the ALJ, Commission, and Staff? 13 A. I think so. 14 Q. Okay. 15 Let's switch gears a little bit here and 16 go to Section 214 E-3 of the federal act. And I 17 believe you had a discussion with Mr. Brown 18 regarding that provision, correct? 19 A. Yes. 20 Q. And is it correct that Staff within, 21 well -- strike that. Let me think a minute. 22 In your opinion could the Commission and 23 the ALJ make the factual determinations required 24 by Section 214 E if they so chose within the 25 context of the complaint proceeding?</p>	<p>1 (The deposition concluded at 5:50) 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>DEL W. SMITH</p>
Page 119	Page 121
<p>1 A. I think they could do that, yes. 2 Q. You are not aware of anything that would 3 preclude them from doing that? 4 A. You mean they could follow some of the 5 procedures that are outlined in the FCC's notice 6 of proposed rule making and they can notify other 7 carriers? 8 Q. As long as they made the factual 9 determinations required by the federal statute, 10 including a determination of which carrier is 11 best able to provide service to the area, in 12 your opinion is there anything that could preclude 13 the Commission from doing that in the current 14 proceeding? 15 A. I am not aware of anything that precluded 16 them from doing that. 17 MS. SCOTT: I think that is all I have, 18 Mark. 19 MR. BROWN: Finally, we have the following, 20 exhibits. Exhibit A will be a copy of relevant 21 portions of the Arizona Corporation Commission's 22 website frequently asked questions on the Arizona 23 Universal Service Fund, and we have asked that that 24 be marked as Exhibit A. 25 (Exhibit A was marked for identification.)</p>	<p>1 STATE OF ARIZONA) 2) ss. 3 COUNTY OF MARICOPA) 4 5 BE IT KNOWN that the foregoing deposition 6 was taken before me, Mary Barry, Certified Court 7 Reporter No. 50260 for the State of Arizona; that 8 the witness before testifying was duly sworn by me 9 to testify to the whole truth and nothing but the 10 truth; that the questions propounded by counsel and 11 the answers of the witness thereto were taken down 12 by me in shorthand and thereafter transcribed under 13 my direction, and that the foregoing pages of 14 printed matter contain a full, true, and accurate 15 transcript of all proceedings and testimony had and 16 adduced upon the taking of said deposition, all to 17 the best of my skill and ability. 18 I FURTHER CERTIFY that I am not related to 19 nor employed by any of the parties hereto, and have 20 no interest in the outcome. 21 DATED at Phoenix, Arizona, this day 22 of , 2002. 23 24 MARY BARRY, RPR, CRR 25 Certified Court Reporter Certificate No. 50260</p>

NEW APPLICATION

COPY

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS:

MARC SPITZER, CHAIRMAN
JIM IRVIN
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON

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IN THE MATTER OF THE APPLICATION OF
ALLTEL COMMUNICATIONS, INC. FOR
DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER
PURSUANT TO SECTION 214(e)(2) OF THE
COMMUNICATIONS ACT OF 1934

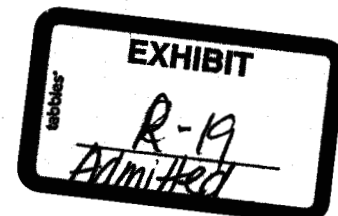
Docket No. T-03887A-03-0316

APPLICATION OF ALLTEL COMMUNICATIONS, INC. FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER

ALLTEL Communications, Inc., ("ALLTEL" or "Company"), by and through its counsel and pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended, 47 U.S.C. §214(e)(2), hereby petitions the Arizona Corporation Commission ("ACC" or "Commission") for designation as an Eligible Telecommunications Carrier ("ETC") for federal universal service funding throughout ALLTEL's licensed service area in the State of Arizona. As demonstrated below, ALLTEL meets all the statutory and regulatory prerequisites for ETC designation, and designating ALLTEL will serve the public interest.

I. ALLTEL's Universal Service Offering.

ALLTEL is authorized to provide cellular mobile radio telephone service in the following Arizona Cellular Market Areas: #26 Phoenix MSA, #77 Tucson MSA, #319 AZ RSA 2 and #322 AZ RSA 5. As an ETC, ALLTEL will offer a basic universal service package to subscribers who are eligible for Lifeline support. ALLTEL expects that its service offering will be competitive with those of the incumbent wireline carriers.



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1 ALLTEL currently provides all the services and functionalities supported by the federal
2 universal service program, enumerated in Section 54.101(a) of the Federal Communications
3 Commission's ("FCC") Rules (47 C.F.R. §54.101(a)), throughout its licensed service area in the
4 State of Arizona. Upon designation as an ETC, ALLTEL will make available to consumers a
5 universal service offering over its cellular network infrastructure, using the same antenna, cell-site,
6 tower, trunking, mobile switching, and interconnection facilities used by the company to serve its
7 existing conventional mobile cellular service customers. ALLTEL will provide service to any
8 customer requesting this service within the designated service area.

9 **II. ALLTEL Offers All the Services Supported by the Federal High-Cost Universal**
10 **Service Program.**

11 Pursuant to 47 U.S.C. §214(e)(1), in order to be designated as an ETC, a carrier must be a
12 common carrier and offer and advertise the supported services throughout the designated service
13 area. The FCC has identified the following services and functionalities as the core services to be
14 offered by an ETC and supported by the federal universal service support mechanisms:

- 15 1. Voice-grade access to the public switched telephone network;
- 16 2. Local Usage;
- 17 3. Dual-tone, multi-frequency ("DTMF") signaling, or its
18 functional equivalent;
- 19 4. Single-party service or its functional equivalent;
- 20 5. Access to emergency services;
- 21 6. Access to operator services;
- 22 7. Access to interexchange service;
- 23 8. Access to directory assistance; and
- 24 9. Toll limitation for qualifying low-income consumers.¹

25 According to the Section 214(e)(6) Public Notice, a certification that the carrier provides
26 each of the supported services is required.² As shown below and in the Affidavit of Steve R.

27 ¹ 47 C.F.R. §54.101(a).

² Section 214(e)(6) Public Notice at 22948.

Mowery, Vice President, State Government Affairs of ALLTEL, attesting that all representations in this Application are true and correct to the best of his knowledge (attached hereto as *Exhibit A*), ALLTEL provides or will provide, upon designation, the required services.

1. Voice-grade access to the public switched telephone network:

The FCC concluded that voice-grade access means the ability to make and receive phone calls, within a bandwidth of approximately 300 to 3000 Hertz frequency range.³ ALLTEL meets this requirement by providing voice-grade access to the public switched telephone network. Through its interconnection arrangements with Local Exchange Carriers ("LECs"), all customers of ALLTEL are able to make and receive calls on the public switched telephone network within the specified bandwidth.

2. Local Usage:

Beyond providing access to the public switched network, an ETC must include local usage as part of a universal service offering. To date, the FCC has not quantified a minimum amount of local usage required to be included in a universal service offering, but has initiated a separate proceeding to address this issue.⁴ As it relates to local usage, the NPRM sought comments on a definition of the public service package that must be offered by all ETCs. Specifically, the FCC sought comments on how much, if any, local usage should be required to be provided to customers as part of a universal service offering.⁵ In the First Report and Order, the FCC deferred a determination on the amount of local usage that a carrier would be required to provide.⁶ Any minimum local usage requirement established by the FCC as a result of the October 1998 NPRM will be applicable to all designated ETCs, not simply wireless service providers. ALLTEL will comply with any and all minimum local usage requirements adopted by the FCC. ALLTEL will

³ 47 C.F.R. §54.101(a)(1).

⁴ See Federal and State Joint Board on Universal Service, Memorandum Opinion and Order and Further Notice of Proposed Rulemaking, 13 FCC Rcd 21252 (1998) ("October 1998 NPRM").

⁵ October 1998 NPRM at 21277-21281.

⁶ First Report and Order at 8812. See also Western Wireless Corporation, 16 FCC Rcd 48, 52-53 (2000), aff'd, FCC 01-311 (October 19, 2001); Celco Partnership, 16 FCC Rcd 29, 42 (2000).

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1 meet the local usage requirements by including local usage plans as part of a universal service
2 offering.

3 **3. Dual-tone, multi-frequency ("DTMF") signaling, or its functional equivalent:**

4 DTMF is a method of signaling that facilitates the transportation of call set-up and call
5 detail information. Consistent with the principles of competitive and technological neutrality, the
6 FCC permits carriers to provide signaling that is functionally equivalent to DTMF in satisfaction of
7 this service requirement.⁷ ALLTEL currently uses out-of-band digital signaling. ALLTEL
8 therefore meets the requirement to provide DTMF signaling or its functional equivalent.

9 **4. Single-party service or its functional equivalent:**

10 "Single-party service" means that only one party will be served by a subscriber loop or
11 access line in contrast to a multi-party line.⁸ The FCC concluded that a wireless provider offers the
12 equivalent of single-party service when it offers a dedicated message path for the length of a user's
13 particular transmission.⁹ ALLTEL meets the requirement of single-party service by providing a
14 dedicated message path for the length of all customer calls.

15 **5. Access to emergency services:**

16 The ability to reach a public emergency service provider by dialing 911 is a required service
17 in any universal service offering. Phase I E911, which includes the capability of providing both
18 automatic numbering information ("ANI") and automatic location information ("ALI"), is only
19 required if a public emergency service provider makes arrangements with the local provider for the
20 delivery of such information.¹⁰ ALLTEL currently provides all of its customers with access to
21 emergency service by dialing 911 in satisfaction of the basic 911 requirement, and either provides,
22 or will provide subscribers with Phase I and Phase II E-911 services in accord with the deployment
23 schedules agreed to by ALLTEL and local or other governmental emergency service provider
24

25 ⁷ 47 C.F.R. §54.101(a)(3).

26 ⁸ First Report and Order, 12 FCC Rcd at 8810.

27 ⁹ Id.

¹⁰ See id. at 8815-17.

1 agencies.

2 6. Access to operator services:

3 Access to operator services is defined as any automatic or live assistance provided to a
4 consumer to arrange for the billing or completion, or both, of a telephone call.¹¹ ALLTEL meets
5 this requirement by providing all of its customers with access to operator services provided by
6 either the Company or other entities (e.g., LECs, IXC's, etc.).

7 7. Access to interexchange service:

8 A universal service provider must offer consumers access to interexchange service to make
9 and receive toll or interexchange calls. Equal access, however, is not required. "The FCC do[es]
10 not include equal access to interexchange service among the services supported by universal service
11 mechanisms."¹² ALLTEL presently meets this requirement by providing all of its customers with
12 the ability to make and receive interexchange or toll calls through direct interconnection
13 arrangements the Company has with several IXC's.

14 8. Access to directory assistance:

15 The ability to place a call to directory assistance is a required service offering.¹³ ALLTEL
16 meets this requirement by providing all of its customers with access to directory assistance by
17 dialing "411" or "555-1212."

18 9. Toll limitation for qualifying low-income consumers:

19 An ETC must offer either "toll control" or "toll blocking" services to qualifying Lifeline
20 customers at no charge. The FCC no longer requires an ETC to provide both services as part of the
21 toll limitation service required under 47 C.F.R §54.101(a)(9). In particular, all ETCs must provide
22 toll blocking, which allows customers to block the completion of outgoing toll calls.¹⁴ ALLTEL
23 currently has no Lifeline customers because only carriers designated as an ETC can participate in
24

25 ¹¹ Id. at 8817-18.

26 ¹² Id. at 8819.

27 ¹³ Id. at 8821.

¹⁴ First Report and Order at 8821-22.

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1 Lifeline.¹⁵ Once designated as an ETC, ALLTEL will participate in Lifeline as required, and will
2 provide toll blocking capability in satisfaction of the FCC's requirement. ALLTEL currently has
3 the technology to provide toll blocking and will use this technology to provide the service to its
4 Lifeline customers, at no charge, as part of its universal service offerings.

5 **III. ALLTEL Will Offer Supported Services Through its Own Facilities.**

6 The FCC's Section 214(e)(6) Public Notice established that a carrier requesting designation
7 must certify that it offers the supported services "either using its own facilities or a combination of
8 its own facilities and resale of another carrier's services."¹⁶ ALLTEL will provide the supported
9 services using its existing network infrastructure, which includes the same antenna, cell-site, tower,
10 trunking, mobile switching, and interconnection facilities used by the company to serve its existing
11 conventional mobile cellular service customers.

12 **IV. ALLTEL Will Advertise its Universal Service Offering.**

13 ALLTEL will advertise the availability of the supported services and the corresponding
14 charges in a manner that fully informs the general public of the services and charges.¹⁷ ALLTEL
15 currently advertises its wireless services through several different media. ALLTEL will use media
16 of general distribution that it currently employs to advertise its universal service offerings through-
17 out its service area in the State of Arizona. ALLTEL will comply with all form and content
18 requirements, if any, promulgated by the FCC in the future and required of all designated ETCs.

19 **V. ALLTEL Requests ETC Designation Throughout Its Licensed Service Area in the**
20 **State of Arizona.**

21 ALLTEL, for its wireless operations, is not a "rural telephone company" as that term is
22 defined by 47 U.S.C. §153(37). Accordingly, ALLTEL is required to describe the geographic area
23 in which it requests designation.¹⁸ ALLTEL requests ETC designation for its entire licensed
24

25 ¹⁵ See 47 C.F.R. §§54.400 to -415.

26 ¹⁶ Section 214 Public Notice at 22949.

27 ¹⁷ See Section 214(e)(6) Public Notice, 12 FCC Rcd at 22949.

¹⁸ Id.

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1 service area in Arizona. A map of ALLTEL's proposed ETC service area is attached hereto as
2 *Exhibit B*.

3 Under FCC Rule Section 54.207, a "service area" is a "geographic area established by a
4 state commission for the purpose of determining universal service obligations and support
5 mechanisms."¹⁹ For non-rural service areas, there are no restrictions on how a state commission
6 defines the "service area" for purposes of designating a competitive ETC. Therefore, the Commis-
7 sion may designate ALLTEL as an ETC in the non-rural wire centers set forth at *Exhibit C*. To the
8 extent ALLTEL serves only a portion of the wire center listed in *Exhibit C*, ALLTEL requests ETC
9 designation in that portion of the wire center where it provides service.²⁰

10 In an area served by a rural telephone company, the FCC's rules define "service area" to
11 mean the LEC study area unless a different definition of service area is established for such
12 company.²¹ The rural LEC study areas where ALLTEL serves the entire study area are set forth in
13 *Exhibit D* hereto. The Commission may designate ALLTEL as an ETC in those areas upon finding
14 that such designation would be in the public interest pursuant to 47 U.S.C. §214(e)(2).

15 **VI. ALLTEL Requests that Affected Rural LEC Service Areas be Redefined.**

16 Pursuant to 47 C.F.R. §54.207(c)(1), a petition to redefine a rural LEC service area must
17 contain, "an analysis that takes into account the recommendations of any Federal-State Joint Board
18 convened to provide recommendations with respect to the definition of a service area served by a
19 rural telephone company." ALLTEL requests that the Commission redefine the service areas for
20 the Arizona Telephone Co., CenturyTel of the Southwest, Inc., Midvale Telephone Exchange, Inc.,
21 Navajo Communications Co. - AZ, South Central Utah Telephone Assoc. and Table Top Tele-
22 phone Co., Inc. wire centers listed in *Exhibit E*. ALLTEL serves only a portion of the service area
23 of these six companies. Accordingly, the Commission may prefer to define the wire centers that
24 ALLTEL serves of each ILEC as one service area and the wire centers of each ILEC that ALLTEL

26 ¹⁹ 47 C.F.R. §54.207(a).

27 ²⁰ Those wire centers that ALLTEL partially serves are indicated on *Exhibit C* with the word "partial."

²¹ See 47 C.F.R. §54.207(b).

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1 does not serve as a separate service area. The wire centers that ALLTEL does serve are set forth in
2 Exhibit E.

3 The FCC recently adopted a plan for disaggregation of rural LEC study areas in its
4 Fourteenth Report and Order, noting that such action "achieves a reasonable balance between rural
5 carriers' needs for flexibility and the Commission's goal of encouraging competitive entry."²² In
6 the instant case, reclassifying rural LEC service areas for ETC purposes is necessary in order to
7 facilitate competitive entry.

8 In the Recommended Decision that laid the foundation for the FCC's First Report and
9 Order, the Federal-State Joint Board enumerated three factors to be considered when redefining a
10 rural service area.²³ First, the Joint Board advised the state commission to consider whether the
11 competitive carrier is attempting to "cream skim" by only proposing to serve the lowest cost
12 exchanges.²⁴ As a wireless carrier, ALLTEL is restricted to providing service in those areas where
13 it is licensed by the FCC. ALLTEL is not picking and choosing the lowest cost exchanges.
14 ALLTEL has based its requested ETC area solely on its licensed service area and proposes to serve
15 its entire service area.

16 Second, the Joint Board urged the Commission to consider the rural carrier's special status
17 under the Telecommunications Act of 1996.²⁵ In deciding whether to award ETC status to
18 ALLTEL, the Commission will weigh numerous factors and will consider how the public interest is
19 affected by an award of ETC status pursuant to 47 C.F.R. §214(e)(2). Congress mandated this
20 public interest analysis in order to protect the special status of rural carriers in the same way it
21 established special considerations for rural carriers with regard to interconnection, unbundling, and
22

23 Federal-State Joint Board on Universal Service, Multi-Association Group (MAG) Plan for Regulation of
24 Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, Fourteenth
25 Report and Order, FCC 01-157, Docket 96-45, 23 CR 1338, 1381 (May 23, 2001) ("Fourteenth Report and Order") at
¶144.

26 ²² Federal-State Joint Board on Universal Service, Recommended Decision, 12 FCC Rcd 87 (1996).

27 ²⁴ Recommended Decision, 12 FCC Rcd 97 at ¶172.

²⁵ Id. at ¶173.

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1 resale requirements.²⁶ Accordingly, if the Commission finds that ALLTEL's ETC designation is in
2 the public interest, it has duly recognized the special status of the rural carrier for purposes of
3 determining whether ALLTEL's service area designation should be adopted for federal universal
4 service funding purposes. No action in this proceeding will affect or prejudice any future action this
5 Commission may take with respect to the LEC's status as a rural telephone company.

6 Finally, the Federal-State Joint Board recommended that the FCC consider the
7 administrative burden a rural LEC would face by calculating its costs on a basis other than its entire
8 study area.²⁷ In the instant case, ALLTEL is proposing to redefine rural LEC service areas solely
9 for ETC designation purposes. Redefining service areas for ETC purposes will in no way impact
10 the way the affected rural LECs calculate their costs, but it is solely to determine the LEC area in
11 which ALLTEL is to be designated as an ETC. LECs may disaggregate their study areas to
12 reallocate high cost loop support payments pursuant to the FCC's Fourteenth Report and Order.²⁸
13 Accordingly, redefining rural LEC service areas as proposed in this Application will not impose
14 any additional burdens on rural LECs. Indeed, the Commission has previously determined that
15 there should be no administrative burden imposed on rural LECs by disaggregating and redefining
16 the proposed service area at the wire center level. See In the Matter of Application of Smith
17 Bagley, Inc., for Designation as an Eligible Telecommunications Carrier Under 47 U.S.C.
18 §214(e)(2) and A.A.C. R14-2-1203, Decision No. 63269 at 11.

19 **VII. Granting This Application Will Serve the Public Interest.**

20 Because ALLTEL is seeking designation in areas served by rural LECs, the Commission
21 must consider public interest factors prior to designating ALLTEL as an ETC.²⁹ Designating
22 ALLTEL as an ETC in the State of Arizona would further the public interest by bringing the
23

24 ²⁶ Id. at ¶173.

25 ²⁷ Id. at ¶174.

26 ²⁸ Fourteenth Report and Order, Multi-Association Group (MAG) Plan for Regulation of Interstate Services
27 of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers Federal-State Joint Board on
Universal Service, Second Report and Order and Further Notice of Proposed Rulemaking, 25 CR 1 (November 8,
2001).

²⁹ 47 U.S.C. §214(e)(2).

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benefits of competition to an underserved marketplace.

The FCC has recognized the advantages wireless carriers can bring to the universal service program. In particular, the FCC has found that "imposing additional burdens on wireless entrants would be particularly harmful to competition in rural areas, where wireless carriers could potentially offer service at much lower costs than traditional wireline service."³⁰ One of the principal goals of the Telecommunications Act of 1996 was to "promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies."³¹ Competition drives down prices and promotes the development of advanced communications as carriers vie for a consumer's business. The FCC has determined that wireless providers such as ALLTEL may be designated as ETCs.³²

This Commission has already determined that designation of a wireless provider as an eligible telecommunications carrier is in the public interest. See In the Matter of Application of Smith Bagley, Inc., for Designation as an Eligible Telecommunications Carrier Under 47 U.S.C. §214(e)(2) and A.A.C. R14-2-1203, Decision No. 65054[✓] at 12; In the Matter of Application of Smith Bagley, Inc., for Designation as an Eligible Telecommunications Carrier Under 47 U.S.C. §214(e)(2) and A.A.C. R14-2-1203, Decision No. 63421[✓] at 2; In the Matter of Application of Smith Bagley, Inc., for Designation as an Eligible Telecommunications Carrier Under 47 U.S.C. §214(e)(2) and A.A.C. R14-2-1203, Decision No. 63269[✓] at 12. Designating ALLTEL as an ETC would give those in rural areas in Arizona advanced telecommunications options.

Designating ALLTEL as an ETC will bring to consumers the benefits of competition, including increased choices, higher quality service, and lower rates. In a competitive market, rural consumers will be able to choose the services that best meet their communications needs. With a

³⁰ First Report and Order, 12 FCC Rcd. at 8776, 8882-8883.

³¹ Telecommunications Act of 1996, Public Law, 104-104, 100 Stat. 56 (1996).

³² Federal State Board on Universal Service, CC Docket No. 96-45, Report and Order, 12 FCC Rcd at 8776, 8858-59, ¶¶ 145-147.

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1 choice of service providers, the consumer is able to select a provider based on service quality,
2 service availability, and rates. Without competition, the incumbent provider has little or no
3 incentive to introduce new, innovative, or advanced service offerings.

4 The public interest standard under Section 214(e)(2) for designating ETCs in territories
5 served by rural telephone companies emphasizes competition and consumer benefit, not incumbent
6 protection. In considering the impact that Western Wireless' ETC designation would have on rural
7 telephone companies, the FCC said, "[W]e believe that competition may provide incentives to the
8 incumbent to implement new operating efficiencies, lower prices, and offer better service to its
9 customers."³³ Further, Congress has mandated that universal service provisions be "competitively
10 neutral" and "necessary to preserve and advance universal service."³⁴ Designating ALLTEL as an
11 ETC would give those in rural areas in the State of Arizona advanced telecommunications options.

12 ALLTEL will implement service offerings and rate plans that will be competitive with
13 incumbent service offerings and affordable to consumers in the State of Arizona. ALLTEL
14 commits that its local calling area will be at least as large as the incumbent LEC, and ALLTEL
15 believes that in all cases its local calling area will be substantially larger, which will reduce intra-
16 LATA toll charges typically associated with wireline service. ALLTEL will provide access to
17 emergency services in compliance with all state and federal requirements, which will improve
18 service to Arizona citizens.

19 ALLTEL commits to use available federal high cost support for its intended purposes - the
20 construction, maintenance and upgrading of facilities serving the rural areas for which support is
21 intended. As of this date, ALLTEL can conceive of no business plan for remote rural areas that
22 supports deploying the type of robust wireless network required to compete on a level playing field
23 with incumbent carriers. Wireless telephone service is today a convenience, but in most rural areas
24 it cannot be counted on as a potential replacement for wireline service unless high cost loop support
25 is made available to drive infrastructure investment. Indeed, without the high cost program it is
26

27 ³³ Guam Cellular and Paging, Inc., DA 02-174 (released January 25, 2002) at ¶22.

³⁴ See 47 U.S.C. §253(b).


doubtful that many rural areas would have wireline telephone service even today.

REQUEST FOR RELIEF

ALLTEL respectfully requests the Commission to expeditiously issue an Order designating ALLTEL as an eligible telecommunications carrier for universal service purposes for its entire service area in Arizona as requested in this application.

RESPECTFULLY SUBMITTED May 19, 2003.

ALLTEL COMMUNICATIONS, INC.

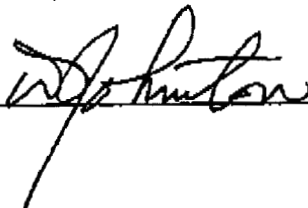
By 

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Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, Arizona 85007



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EXHIBIT A

AFFIDAVIT OF STEVE MOWERY

I, Steve Mowery, do hereby declare as follows:

1. I am the authorized representative of ALLTEL Communications, Inc. ("ALLTEL") in charge of ALLTEL's Petition for Designation as an Eligible Telecommunications Carrier ("ETC") in the state of Arizona. This affidavit is submitted in support of ALLTEL's Petition for Designation as an ETC in the state of Arizona.

2. ALLTEL is the licensee authorized to provide cellular radio telephone service in Arizona and is authorized to provide service in the requested ETC area described in its Application.

3. ALLTEL meets the criteria for ETC designation as explained herein.

4. ALLTEL is a "common carrier" for purposes of obtaining ETC designation pursuant to 47 U.S.C. §214(e)(1). A "common carrier" is generally defined in 47 U.S.C. §153(10) as a person engaged as a common carrier on a for-hire basis in interstate communications by wire or radio. Section 20.9(1)7 of the Commission's Rules provides that cellular service is a common carrier service. See 47 C.F.R. §20.9(a)(7).

5. ALLTEL currently offers and is able to provide the services and functionalities identified in 47 C.F.R. §54.101(a). Each of these services and functionalities is discussed more fully below.

a. Voice-grade access to the public switched telephone network. The FCC concluded that voice-grade access means the ability to make and receive phone calls, within a bandwidth of approximately 300 to 3000 Hertz frequency range. See 47 C.F.R. §54.101(a)(1). ALLTEL meets this requirement by providing voice-grade access to the public switched telephone network. Through its interconnection arrangements with local telephone companies, all customers of ALLTEL are able to make and receive calls on the public switched telephone network within the specified bandwidth.

b. Local Usage. Beyond providing access to the public switched network, an ETC must include local usage as part of a universal service offering. To date, the FCC has not quantified a minimum amount of local usage required to be included in a universal service offering, but has initiated a separate proceeding to address this issue. See *Federal-State Joint Board on Universal Service, Memorandum Opinion and Order and Further Notice of Proposed Rulemaking*, 13 FCC Rcd 21252 (1998) ("October 1998 NPRM"). As it relates to local usage, the NPRM sought comments on a definition of the public service package that must be offered by all ETCs. Specifically, the FCC sought comments on how much, if any, local usage should be required to be provided to customers as part of a universal service offering. October 1998 NPRM at 21277-21281. In the *Universal Service Order*, the FCC deferred a determination on the amount of local usage that a carrier would be required to provide. *Universal Service Order* at 8813. Any minimum local usage requirement established by the FCC as a result of the October 1998 NPRM will be applicable to all designated ETCs, not simply wireless service providers. ALLTEL will comply with any and all minimum local usage requirements adopted by the FCC. ALLTEL will meet the local usage requirements by including local usage as part of a universal service offering.

c. Dual-tone, multi-frequency ("DTMF") signaling, or its functional equivalent. DTMF is a method of signaling that facilitates the transportation of call set-up and call detail information. Consistent with the principles of competitive and technological neutrality, the FCC permits carriers to provide signaling that is functionally equivalent to DTMF in satisfaction of this service requirement. 47 C.F.R. §54.101(a)(3). ALLTEL currently uses out-of-band digital signaling and in-band multi-frequency ("MF")

signaling that is functionally equivalent to DTMF signaling. ALLTEL therefore meets the requirement to provide DTMF signaling or its functional equivalent.

d. Single-party service or its functional equivalent. "Single-party service" means that only one party will be served by a subscriber loop or access line in contrast to a multi-party line. *Universal Service Order* at 8810. The FCC concluded that a wireless provider offers the equivalent of single-party service when it offers a dedicated message path for the length of a user's particular transmission. *Universal Service Order* at 8810. ALLTEL meets the requirement of single-party service by providing a dedicated message path for the length of all customer calls.

e. Access to emergency services. The ability to reach a public emergency service provider by dialing 911 is a required service in any universal service offering. Phase I E-911, which includes the capability of providing both automatic numbering information ("ANI") and automatic location information ("ALI"), is only required if a public emergency service provider makes arrangements with the local provider for the delivery of such information. ALLTEL currently provides all of its customers with access to emergency service by dialing 911 in satisfaction of the basic 911 requirement, and either provides, or will provide subscribers with Phase I and Phase II E-911 services in accord with the deployment schedules agreed to by ALLTEL and local or other governmental emergency service provider agencies.

f. Access to operator services. Access to operator services is defined as any automatic or live assistance provided to a consumer to arrange for the billing or completion, or both, of a telephone call. *Universal Service Order*, 8817-18. ALLTEL meets this requirement by providing all of its customers with access to operator services provided by either the Company or other entities (e.g., LECs, IXC's, etc.).

g. Access to interexchange services. A universal service provider must offer consumers access to interexchange service to make and receive toll or interexchange calls. Equal access, however, is not required. "The FCC do[es] not include equal access to interexchange service among the services supported by universal service mechanisms." *Universal Service Order* at 8819. ALLTEL presently meets this requirement by providing all of its customers with the ability to make and receive interexchange or toll calls through direct interconnection arrangements the Company has with IXC's.

h. Access to directory assistance. The ability to place a call to directory assistance is a required service offering. *Universal Service Order* at 8821. ALLTEL meets this requirement by providing all of its customers with access to directory assistance by dialing "411" or "555-1212."

i. Toll limitation for qualifying low-income consumers. An ETC must offer either "toll control" or "toll blocking" services to qualifying Lifeline customers at no charge. The FCC no longer requires an ETC to provide both services as part of the toll limitation service required under 47 C.F.R. §54.101(a)(9). See *Universal Service Fourth Order on Reconsideration*, FCC 97-420 (Dec. 30, 1997). In particular, all ETCs must provide toll blocking, which allows customers to block the completion of outgoing toll calls. *Universal Service Order*, at 8821-22. ALLTEL currently has no Lifeline customers because only carriers designated as an ETC can participate in Lifeline. See 47 C.F.R. §54.400-415. Once designated as an ETC, ALLTEL will participate in Lifeline as required, and will provide toll blocking capability in satisfaction of the FCC's requirement. ALLTEL currently has the technology to provide toll blocking and will use this technology to provide the service to its Lifeline customers, at no charge, as part of its universal service offerings.

6. ALLTEL will provide the supported services using its existing network infrastructure, which includes the same antenna, cell-site, tower, trunking, mobile switching, and interconnection facilities used by the company to serve its existing conventional mobile cellular service customers.

7. I declare under penalty of perjury that the foregoing is true and correct. Executed on May 16, 2003.

Steve Mauney
Its Authorized Representative

Subscribed and sworn before me this 16th day of May, 2003.

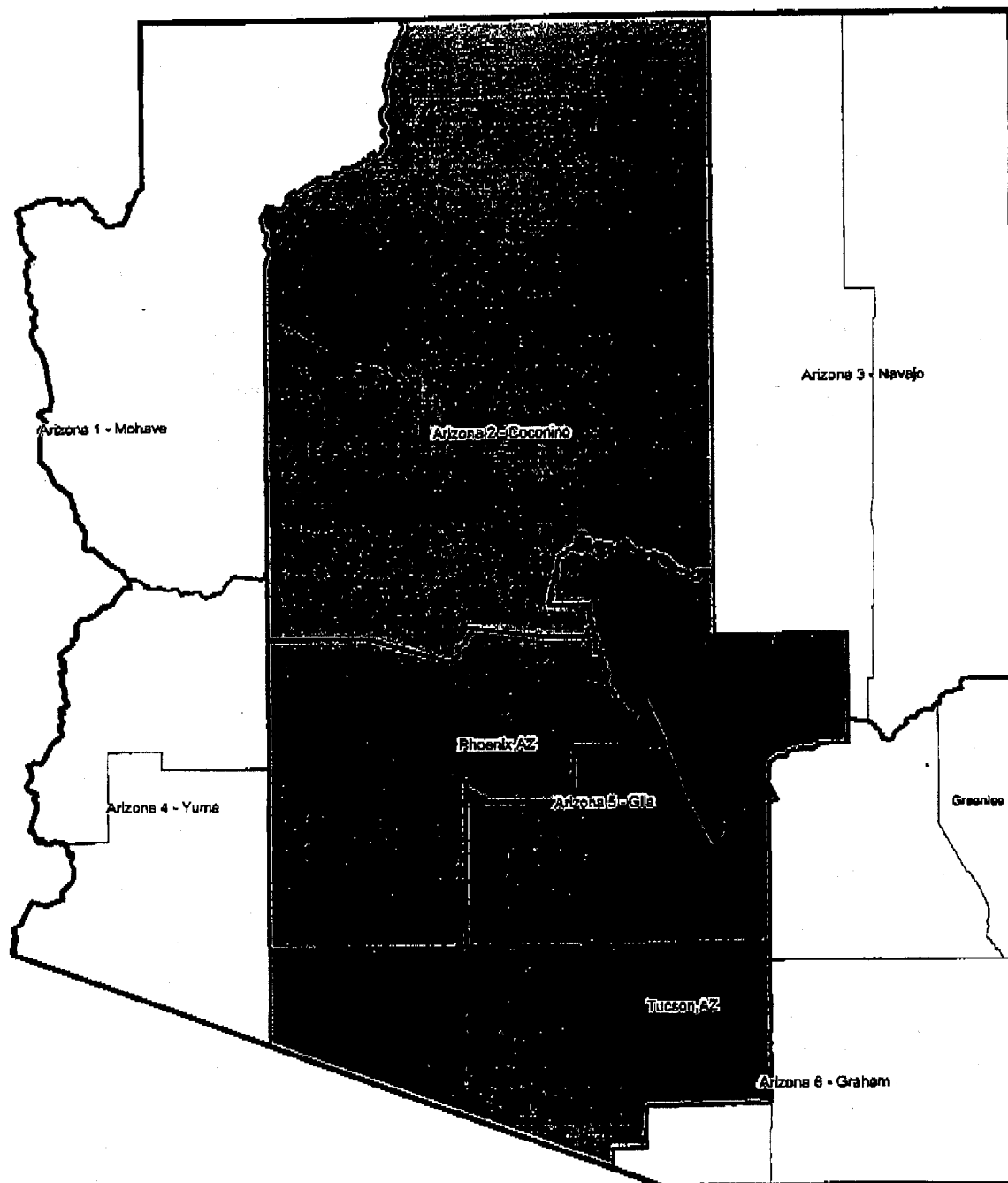
Sandra Jean Wood
Notary Public


Representative



EXHIBIT B

Arizona



 ALLTEL Wireless Coverage

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EXHIBIT C

EXHIBIT C-1

ALLTEL
NON-RURAL WIRE CENTERS SERVED IN THE STATE OF ARIZONA

COUNTY	INCUMBENT LEG	WIRE CENTER NAME	ILLI CODE
Maricopa County	QWEST CORPORATION	AVONDALE	GDYRAZCW
Maricopa County	QWEST CORPORATION	BUCKEYE	BCKYAZMA
Maricopa County	QWEST CORPORATION	CAVE CRK	CVCKAZMA
Maricopa County	QWEST CORPORATION	CHANDLER	CHNDZSO
Maricopa County	QWEST CORPORATION	CHANDLER	CHNDZWE
Maricopa County	QWEST CORPORATION	CHANDLER	CHNDZMA
Maricopa County	QWEST CORPORATION	FOUNTAIN HLS	FTMDAZMA
Maricopa County	QWEST CORPORATION	GILA BEND	GLBNZMA
Maricopa County	QWEST CORPORATION	GILBERT	MESAAZGI
Maricopa County	QWEST CORPORATION	GLENDALE	GLDLAZMA
Maricopa County	QWEST CORPORATION	HIGLEY	HGLYAZMA
Maricopa County	QWEST CORPORATION	LITCHFIELD PK	WHTKAZMA
Maricopa County	QWEST CORPORATION	LITCHFIELD PK	LTPKAZMA
Maricopa County	QWEST CORPORATION	MESA	MESAAZMA
Maricopa County	QWEST CORPORATION	MESA	SPRSZWE
Maricopa County	QWEST CORPORATION	MESA	SPRSZMA
Maricopa County	QWEST CORPORATION	MORRISTOWN	CROYAZNM
Maricopa County	QWEST CORPORATION	NEW RIV	PHNXAZBW
Maricopa County	QWEST CORPORATION	NEW RIV	NWRVAZMA
Maricopa County	QWEST CORPORATION	PARADISE VLY	SCDLAZTH
Maricopa County	QWEST CORPORATION	PEORIA	PHNXAZPR
Maricopa County	QWEST CORPORATION	PEORIA	AGFIAZSR
Maricopa County	QWEST CORPORATION	PHOENIX	PHNXAZGR
Maricopa County	QWEST CORPORATION	PHOENIX	DRVYAZNO
Maricopa County	QWEST CORPORATION	PHOENIX	PHNXAZSY
Maricopa County	QWEST CORPORATION	PHOENIX	PHNXAZEA
Maricopa County	QWEST CORPORATION	PHOENIX	PHNXAZMA
Maricopa County	QWEST CORPORATION	PHOENIX	PHNXAZLV
Maricopa County	QWEST CORPORATION	PHOENIX	PHNXAZB1
Maricopa County	QWEST CORPORATION	PHOENIX	PHNXAZPP
Maricopa County	QWEST CORPORATION	PHOENIX	PHNXAZSO
Maricopa County	QWEST CORPORATION	PHOENIX	PHNXAZSE
Maricopa County	QWEST CORPORATION	PHOENIX	PHNXAZWE
Maricopa County	QWEST CORPORATION	PHOENIX	PHNXAZ93
Maricopa County	QWEST CORPORATION	PHOENIX	PHNXAZMY
Maricopa County	QWEST CORPORATION	PHOENIX	PHNXAZNO
Maricopa County	QWEST CORPORATION	PHOENIX	PHNXAZNE
Maricopa County	QWEST CORPORATION	PHOENIX	PHNXAZNW
Maricopa County	QWEST CORPORATION	PHOENIX	PHNXAZCA
Maricopa County	QWEST CORPORATION	QUEEN CREEK	HGLYAZQC
Maricopa County	QWEST CORPORATION	RIO VERDE	FTMDAZNO
Maricopa County	QWEST CORPORATION	SCOTTSDALE	SCDLAZMA
Maricopa County	QWEST CORPORATION	SCOTTSDALE	SCDLAZSH
Maricopa County	QWEST CORPORATION	SCOTTSDALE	PRVYAZPP
Maricopa County	QWEST CORPORATION	SUN CITY	BRDSAZMA
Maricopa County	QWEST CORPORATION	TEMPE	TEMPAZMA
Maricopa County	QWEST CORPORATION	TEMPE	TEMPAZMC
Maricopa County	QWEST CORPORATION	TOLLESON	TLSNAZMA
Maricopa County	QWEST CORPORATION	TONOPAH	WNBGAZ01
Maricopa County	QWEST CORPORATION	WICKENBURG	WCBGAZMA
Maricopa County	QWEST CORPORATION	YOUNGTOWN	PHNXAZMR
Pima County	QWEST CORPORATION	GRN VLY	GNVYAZMA
Pima County	QWEST CORPORATION	MARANA	MARNAZMA
Pima County	QWEST CORPORATION	MARANA	MARNAZ02
Pima County	QWEST CORPORATION	TUBAC	TUBCAZMA
Pima County	QWEST CORPORATION	TUCSON	TCSNAZSE
Pima County	QWEST CORPORATION	TUCSON	TCSNAZSO
Pima County	QWEST CORPORATION	TUCSON	TCSNAZSW
Pima County	QWEST CORPORATION	TUCSON	TCSNAZCR

EXHIBIT C-2

ALLTEL
NON-RURAL WIRE CENTERS SERVED IN THE STATE OF ARIZONA

COUNTY	INCUMBENT LEC	WIRE CENTER NAME	GILLI CODE
Pima County	QWEST CORPORATION	TUCSON	TCSNAZMA
Pima County	QWEST CORPORATION	TUCSON	TCSNAZEA
Pima County	QWEST CORPORATION	TUCSON	TCSNAZWE
Pima County	QWEST CORPORATION	TUCSON	TCSNAZRN
Pima County	QWEST CORPORATION	TUCSON	TCSNAZFW
Pima County	QWEST CORPORATION	TUCSON	TCSNAZTV
Pima County	QWEST CORPORATION	TUCSON	TCSNAZCA
Pima County	QWEST CORPORATION	TUCSON	TCSNAZCO
Pima County	QWEST CORPORATION	TUCSON	TCSNAZNO
Pima County	QWEST CORPORATION	TUCSON	TCSNAZML
Pima County	QWEST CORPORATION	TUCSON	CRNDZMA
Pima County	QWEST CORPORATION	VAIL	VAILAZSO
Pima County	QWEST CORPORATION	VAIL	VAILAZNO
Yavapai County	QWEST CORPORATION	ASH FORK	ASFKAZMA
Yavapai County	QWEST CORPORATION	BLACK CANYON	BLCNZMA
Yavapai County	QWEST CORPORATION	CAMP VERDE	CMVRAZMA
Yavapai County	QWEST CORPORATION	CAMP VERDE	CMVRAZRR
Yavapai County	QWEST CORPORATION	CHINO VALLEY	CHVYAZMA
Yavapai County	QWEST CORPORATION	COTTONWOOD	CTWDAZMA
Yavapai County	QWEST CORPORATION	COTTONWOOD	CTWDAZSO
Coconino County	QWEST CORPORATION	FLAGSTAFF	FLGSAZSO
Coconino County	QWEST CORPORATION	FLAGSTAFF	FLGSAZMA
Coconino County	QWEST CORPORATION	FLAGSTAFF	FLGSAZEA
Coconino County	QWEST CORPORATION	GRAND CANYON	GRCNAZMA
Coconino County	QWEST CORPORATION	PAGE	PAGEAZMA
Yavapai County	QWEST CORPORATION	PRESCOTT	PRSCAZMA
Yavapai County	QWEST CORPORATION	PRESCOTT	HMBLAZMA
Yavapai County	QWEST CORPORATION	PRESCOTT	MAYRAZMA
Yavapai County	QWEST CORPORATION	PRESCOTT	PRSCAZEA
Yavapai County	QWEST CORPORATION	SEDONA	SEDNAZSO
Yavapai County	QWEST CORPORATION	SEDONA	SEDNAZMA
Coconino County	QWEST CORPORATION	SEDONA	MSPKAZMA
Coconino County	QWEST CORPORATION	WILLIAMS	WLMSAZMA
Yavapai County	QWEST CORPORATION	YARNELL	YRNLAZMA
Pinal County	QWEST CORPORATION	APACHE JCT	SPRSAZEA
Pinal County	QWEST CORPORATION	ARIZONA CITY	AZCYAZ03
Pinal County	QWEST CORPORATION	CASA GRANDE	CSGRAZMA
Pinal County	QWEST CORPORATION	COOLIDGE	CLDGAZMA
Pinal County	QWEST CORPORATION	DUDDLEYVILLE	DDVLAZNM
Pinal County	QWEST CORPORATION	ELOY	ELOYAZ01
Pinal County	QWEST CORPORATION	FLORENCE	FLRNAZMA
Gila County	QWEST CORPORATION	GLOBE	GLOBAZMA
Gila County	QWEST CORPORATION	HAYDEN	HYDNAZMA
Pinal County	QWEST CORPORATION	KEARNY	KRNYAZMA
Pinal County	QWEST CORPORATION	MAMMOTH	MMTHAZMA
Pinal County	QWEST CORPORATION	MARICOPA	MRCPAZMA
Gila County	QWEST CORPORATION	MIAMI	MIAMAZMA
Pinal County	QWEST CORPORATION	ORACLE	ORCLAZMA
Gila County	QWEST CORPORATION	PAYSON	PYSNAZMA
Gila County	QWEST CORPORATION	PINE	PINEAZMA
Pinal County	QWEST CORPORATION	SAN MANUEL	SNMNAZMA
Pinal County	QWEST CORPORATION	STANFIELD	STFDAZMA
Pinal County	QWEST CORPORATION	SUPERIOR	SPRRAZMA
Gila County	QWEST CORPORATION	TONTO CREEK	TNCKAZMA
Pinal County	QWEST CORPORATION	WHITLOW	WHTLAZMA
Navajo County	QWEST CORPORATION	WINSLOW - partial	WNSLAZMA

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EXHIBIT D

EXHIBIT D-1

ALLTEL

RURAL INCUMBENT LECS ENTIRE STUDY AREA SERVED BY ALLTEL

**ACCIPITER COMMUNICATIONS, INC
GILA RIVER TELECOMM INC.
SAN CARLOS APACHE TELECOMMUNICATIONS
TOHONO O ODHAM UTILITY AUTHORITY**

EXHIBIT E

EXHIBIT E-1

ALLTEL
RURAL ILEC STUDY AREAS PARTIALLY SERVED IN THE STATE OF ARIZONA
AND WHICH ALLTEL REQUESTS THE STUDY AREAS BE REDEFINED
TO INCLUDE THE FOLLOWING WIRE CENTERS

COUNTY	INCUMBENT IEC	WIRE CENTER NAME	CHLI CODE
Maricopa County	ARIZONA TELEPHONE CO.	TONOPAH	HRVYAZXC
Pima County	ARIZONA TELEPHONE CO.	TUCSON	SASBAZXC
Coconino County	ARIZONA TELEPHONE CO.	BLUE RIDGE	BLRGZXC
Coconino County	ARIZONA TELEPHONE CO.	MARBLE CANYON	MRCNAZXC
Coconino County	ARIZONA TELEPHONE CO.	MARBLE CANYON	MRCNAZXE
Coconino County	ARIZONA TELEPHONE CO.	MORMON LAKE	MMLKAZXC
Coconino County	ARIZONA TELEPHONE CO.	SUPAI	SUPAAZXC
Gila County	ARIZONA TELEPHONE CO.	ROOSEVELT	RSVTAZXC
Gila County	ARIZONA TELEPHONE CO.	TONTO BASIN	TNBSAZXC
Yuma County	ARIZONA TELEPHONE CO.	DATELAND - partial	DTLDAZD1
Navajo County	CENTURYTEL OF THE SOUTHWEST INC	KYKOTSMOVI VILLAGE - partial	KIVGAZXC
Navajo County	CITIZENS TELECOMMS CO OF WHITE M	CIBICUE - partial	CIBCAZXC
Navajo County	CITIZENS TELECOMMS CO OF WHITE M	HEBER - partial	HEBRAZXC
Navajo County	CITIZENS TELECOMMS CO OF WHITE M	WHITERIVER - partial	WHRVAZXB
Gila County	MIDVALE TELEPHONE EXCHANGE INC.	YOUNG	YONGAZXC
Cochise County	MIDVALE TELEPHONE EXCHANGE INC.	CASCABEL - partial	CSELAZXC
Coconino County	NAVAJO COMMUNICATIONS CO. - AZ	KAIBITO	KABTAZXC
Coconino County	NAVAJO COMMUNICATIONS CO. - AZ	LECHEE	LCHEAZXC
Coconino County	NAVAJO COMMUNICATIONS CO. - AZ	LEUPP	LEPPAZXC
Coconino County	NAVAJO COMMUNICATIONS CO. - AZ	TUBA CITY	TBCYAZXC
Coconino County	SOUTH CENTRAL UTAH TELEPHONE ASS	FREDONIA	FRDNAZAC
Maricopa County	TABLE TOP TELEPHONE CO. INC.	AGUILA	AGULAZXC
Pima County	TABLE TOP TELEPHONE CO. INC.	AJO	AJO AZXC
Yavapai County	TABLE TOP TELEPHONE CO. INC.	BAGDAD	BGDDAZXC
Yavapai County	TABLE TOP TELEPHONE CO. INC.	SELIGMAN	SGMNAZXC